

JPRS-WER-85-017

12 February 1985

# West Europe Report

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

12 February 1985

## WEST EUROPE REPORT

### CONTENTS

#### ARMS CONTROL

##### NORWAY

- Storting Conservative Views Implications of Soviet Missile Incursion  
(Grethe Vaerno; AFTENPOSTEN, 14 Jan 85).....1

#### POLITICAL

##### DENMARK/GREENLAND

- EC Aid Continues as Withdrawal From Community Approaches  
(BERLINGSKE TIDENDE, 16, 23 Jan 85).....4

Way Cleared for EC Funds, by Lars Th. Kjelbye  
Last EC Country Approves Withdrawal

##### FINLAND

- Cruise Missile Incident Main Foreign Policy Debate Issue  
(HELSINGIN SANOMAT, various dates).....6

Government's Handling of Affair Criticized  
Strengthens Call for Defense Commission  
Improved Air Surveillance Pledged

##### FRANCE

- Abouchar Describes Capture, Experiences in Afghanistan  
(Charles van der Leeuw; DE TIJD, 14 Dec 84).....15

## PORTUGAL

NATO Blamed for Past, Present Problems (Jose Manuel Leca; O DIABO, 25 Dec 84) .....	20
Sociopolitical System Seen in 'Lethal Crisis' (Jose Miguel Judice; SEMANARIO, 21 Dec 84) .....	22
Poll on Self-Perceptions, Government Corruptibility (O JORNAL, 21-27 Dec 84) .....	25
Neutrality Towards FRELIMO, RENAMO Urged (Jaime Nogueira Pinto; O DIABO, 25 Dec 84) .....	30
Soares Reportedly Concerned Over Firmino Miguel Candidacy (TEMPO, 28 Dec 84-3 Jan 85) .....	32
Comments on Possible Soares Successors (Henrique Valido; TEMPO, 28 Dec 84-3 Jan 85) .....	35

## SPAIN

Overview of Government's 2-Year Track Record (EL PAIS, 2 Dec 84) .....	38
Unemployment Still Big Problem, by Carlos Gomez	
Mixed Diplomatic Results, by Felix Bayon	
Flexible Policy on Terrorism, by F. Orgambides	

## SWEDEN

Conservative Paper on Polls Showing Workers Deserting SDP (Editorial; SVENSKA DAGBLADET, 16 Dec 84) .....	44
--------------------------------------------------------------------------------------------------------------	----

## MILITARY

### FEDERAL REPUBLIC OF GERMANY

Navy Chief Discusses Impact of Defense Budget Planning (Ansgar Bethge Interview; WEHRTECHNIK, Dec 84) .....	46
----------------------------------------------------------------------------------------------------------------	----

### FRANCE

Details of Active, Reserve Ground Forces Reorganization (Jacques Isnard; LE MONDE, 19 Dec 84) .....	52
--------------------------------------------------------------------------------------------------------	----

### NORWAY

Briefs Penguin Missile Testing Set	59
---------------------------------------	----



## SWEDEN

UK in Campaign To Increase Arms Exports to Forces (SVENSKA DAGBLADET, 9 Dec 84) .....	60
Air Force Pilot Drain to SAS Continues (Erik Liden; SVENSKA DAGBLADET, 15 Dec 84) .....	62
Briefs	
Gas Masks for Entire Population	64

## ECONOMIC

### DENMARK

Industry Council Leader Says Business Investment Inadequate (Lars Dyrskjot; BERLINGSKE TIDENDE, 23 Jan 85) .....	65
---------------------------------------------------------------------------------------------------------------------	----

## ENERGY

### NORWAY

Oil Directorate Optimistic About Oil Finds in North (Morten Woldsdal; AFTENPOSTEN, 19 Jan 85) .....	67
Briefs	
ELF Aquitaine Interested in Ekofisk	71

ARMS CONTROL

NORWAY

STORTING CONSERVATIVE VIEWS IMPLICATIONS OF SOVIET MISSILE INCURSION

Oslo AFTENPOSTEN in Norwegian 14 Jan 85 p 2

[Op Ed Article by MP Grethe Vaerno: "Cruise Missile Topical With Respect to Labor Party's Zone Policy--The Nordic Balance Is in Danger"]

[Text] Spokesmen for the Labor Party are adamant about the proposal for a nuclear weapon free zone in the Nordic countries. That in itself means a step in the direction of a neutralization of Norway. But other issues continue to arise from it, for example the Danish Social Democrats' proposal for a parliamentary conference within NATO on the matter. Now also a Soviet cruise missile has swept over Pasvikdalen and Lake Enare, and like a resounding echo it reminded of what this leftward slide can mean for security policy stability in the Nordic countries as a whole. Have the Labor Parties in NATO countries Denmark and Norway considered the exposed situation that our two neutral neighbors find themselves in, or is nearly all weight being placed on domestic political aspects?

In any case, disagreement on the zone issue cuts much deeper than the recent debate seems to have revealed: Attention has been directed to the question of whether Norway should first take the initiative toward NATO and then toward the Nordic countries, or vice versa.

Thereby one can be deluded into believing that it has been reviewed and approved that we will have such a zone regardless--and that it is just a question of how we will get our allies to accept it.

In Conflict With the Agreement

That is in conflict with the security policy "agreement" in the Storting last spring, the clear result of which was that a nuclear weapon free zone in the Nordic countries is not of current interest in today's Europe:

"In a possible future pattern of agreed and controllable arrangements in Europe, with confidence-building initiatives, eventual thinning out of zones, reduction of nuclear weapon stores, a Nordic nuclear weapon free zone can act as a

link in a larger European relationship and in a framework where we attain reduction, balance and mutuality through agreements between East and West."

Thereafter, said the Storting Foreign Affairs Committee, it will agree to "Norway carrying out an active analytic and preparatory work intended to create a basis which can make a nuclear weapon free zone in the Nordic area an actual possibility."

#### European System

In other words--this work, a Norwegian work, would be concerned with how we can contribute to creating a security system in Europe which, in the next phase, could make room for such a zone.

That is totally missing in the Labor Party's argument. For them it is now just a question of getting our allies to "accept" a Nordic zone. The deputy chairman of the party, Einar Forde's statements to the Danish newspaper INFORMATION of course had to say that if our allies did not believe that a nuclear weapon free zone in the Nordic countries was a good solution for Norwegian and European security, then we would "go into combat" with NATO, and eventually unilaterally declare Norway to be nuclear weapon free in peace and war.

#### Corridor in the North?

Instead of seeing the security situation in full context, Norway would, with alliance free Sweden and Finland with its friendship and cooperation agreements with the Soviet Union, go before with a far-reaching change of the security policy situation in Europe.

It is difficult to free oneself from the feeling that this is intended. There is also a proposal on the table for a corridor free of nuclear battlefield weapons in Central Europe. It is rather typical that this alternative was not mentioned at all as an interesting initiative for the borders between the Soviet Union and the Nordic countries. The proposal would make good sense with our NATO membership, it could be mutually confidence-building in the north, and create obligations for both sides. But they do not go in for such a moderate proposal.

A corridor in the north is an initiative that we could work for without creating problems for our Nordic brothers, as did Jens Evensen's initiative for a nuclear weapon free zone treaty.

We must be very clear that if Norway slides to the left, it will be more difficult in the middle for the Nordic non-members of NATO.

When Norway took the initiative in the zone question, we stole an important issue from Finland--an issue which for years has given Finland credibility with the Soviets.

In the second place we have brought a destabilizing element into Sweden's delicate foreign policy balance. We have contributed to a situation in which it would be difficult for Sweden to be "worse" than Norway, but in which by retaining its absolute security policy neutrality it has little to give. And, most of all, in which Norway's firm attachment to NATO, an important element in the "Nordic balance," suddenly seems a little less firm.

#### Soviet Impression

In the third place: To the extent that NATO Norway advances a policy which on the Soviet side is seen as accommodating toward their wishes and security interests, their bias will change to increasing demands, both on the Finnish "foresighted compliance" and the Swedish alliance free policy striving for neutrality.

This comes at a time when both of these countries are concerned about increasing Soviet power arrogance and stress policies in the Baltic. Every Norwegian slide to the left or compliance can be an encouragement to the Soviets to increase the pressure, which will especially affect our two eastern neighbors who of course are not protected behind the NATO collective security net.

#### 'Must Choose'

It can be interesting to refer to the Russian scientist Lev Voronkov, who in a recently published book calls for a "more active Swedish peace policy," and to the Soviet General Chervov's statement that the security policy situation in the Nordic countries is breaking down, and that the Danes and Norwegians must choose between confrontation and relaxation of tensions.

As a small, vulnerable and exposed country we have no security to give to our superpower neighbor. In addition we should have consideration for the situation of our small Nordic neighbors; for Finland's persistent investment in attaining Soviet confidence and acceptance of a real neutral status, and for Sweden's well-established and firm line to maintain its freedom from alliances and credible neutrality toward both East and West.

9287

CSO: 3639/65

POLITICAL

DENMARK/GREENLAND

## EC AID CONTINUES AS WITHDRAWAL FROM COMMUNITY APPROACHES

### Way Cleared for EC Funds

Copenhagen BERLINGSKE TIDENDE in Danish 16 Jan 85 p 12

[Article by Lars Th. Kjelbye: "EC Funds to Greenland This Week"]

[Text] Strasbourg. The way should now be clear for some of the special EC funds for Greenland to be granted this week. The EC commission has proposed to get the 216 million kroner which Greenland is to have under the withdrawal agreement this year for surrendering fishing rights to EC, from two special accounts when the money is procured, when EC again gets a budget to follow, but as yet there is not full agreement as to the procedure.

The problem with money for Greenland arose when the European Parliament in December rejected the budget proposal for 1985. Thereby the Greenland grant also was dropped because the emergency procedure which is now in place to enable the EC to function does not permit the granting of funds this year if there is not an account in the 1984 budget in which they are listed.

A way out has now been found in which the judicial problems can be overcome in order to say farewell to Greenland in a nice way. The commission has proposed that 80 million kroner be procured from a special fisheries account covering developing countries, and that the remaining 136 million kroner be taken temporarily from the appropriation which is set aside in the agricultural structure fund as help to EC's hill farmers.

With these transfers the EC is trying to find a political solution to the problem. Yesterday the Council of Ministers debated the matter in Brussels, and in Strasbourg the budget committee of the Parliament provisionally approved the granting of the 80 million kroner. The chairman of the committee, the Danish member Ove Fikh (S) admitted that the solution is perhaps "on the edge of legality," but emphasized that the important thing is to find a way out so that Greenland can get the promised funds.

# Last EC Country Approves Withdrawal

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jan 85 p 5

[Article: "Irish Yes to Greenland"]

[Text] The way for Greenland's withdrawal from the EC was opened on Tuesday evening, when both chambers of the Irish Parliament approved the withdrawal agreement without taking a vote.

According to plan the Irish ratification should have taken place before the New Year, but Greenland's withdrawal agreement was forgotten the first time, so it had to be postponed until after the Parliament's Christmas vacation.

9287

CSO: 3613/90



POLITICAL

FINLAND

## CRUISE MISSILE INCIDENT MAIN FOREIGN POLICY DEBATE ISSUE

### Government's Handling of Affair Criticized

Helsinki HELSINGIN SANOMAT in Finnish 9 Jan 85 p 9

[Article: "Languid Debate on Cruise Missile; Parliament Talked 6 Hours About Foreign Policy"]

[Text] The Inari cruise missile and Finland's aid to underdeveloped countries emerged as the primary topics when the Parliament dealt with the Foreign Affairs Ministry's principal section in this year's budget. Parliamentary representatives took advantage of the occasion and talked about foreign policy for 6 hours.

The speeches unleashed by the missile incident were, in the end, duller than advance rumors had led one to expect. To be sure, the representatives were offered the opportunity to return to the missile issue later in the night when Defense Ministry matters were discussed.

Georg C. Ehrnrooth of the Constitutional Right Party drew the gloomiest conclusions from the unintentional border transgression by the targeted Soviet missile.

"The Lake Inari events have given an alarming picture of Finland's capacity to act in accordance with its security policy line. It should at long last be recognized that the foreign policy line requires for its support a persuasive national defense capacity," judged Ehrnrooth.

He urged the government to resolve to strengthen air defense and air surveillance without delay. In his opinion, Finnish decision-makers have given foreign countries the self-portrait of a rabbit sticking its head in a bush. "They made believe they saw nothing but an unidentified object, a UFO," said Ehrnrooth.

### UFO Visible on Radar

Pekka Myllyniemi of the Social Democratic Party also proved that a "UFO" was visible on Kaamanen's radar on 28 December. The acronym stands for the expression "unidentified flying object," and the observation was then of such a nature.



Myllyniemi concluded from this that it was unreasonable to insist the Finns should have known at that time that the observation was a cruise missile.

Myllyniemi also considered the clumsy attempts at communication the worst errors in the controversy. On the other hand, he did not want to infer that the incident would give a picture of Finland's readiness in a possible crisis situation.

Ensio Laine of the Communist Party did not believe, even after all the commotion, that a Soviet cruise missile had flown near Inari. "Verification of this kind has not been made in Finland. I cannot do anything about the fact that Ehrenrooth sees phantoms which Finland has not seen," said Laine.

Kalevi Mattila of the Center Party extended praise to the government for its measures in clarifying the missile operation. "In my opinion, the Foreign Affairs Ministry and the government acted quite properly and not until they had received individualized information about the event."

According to Mattila, our air surveillance also showed that it is able to discover moving objects in the vicinity of our airspace for identification and possible defensive measures.

Veikko Vennamo, leader of the Finnish Rural Party's parliamentary group, declared that the missile incident in Lapland showed indisputably that relations between Finland and the Soviet Union are good and that it is "Finland's great security advantage."

Foreign Affairs Minister Paavo Vayrynen, who otherwise participated spiritedly in the discussion, did not take part in the missile debate. He had nothing to add to what he had said after the Soviet Union's explanation and expression of regret.

The other foreign policy issue discussed by the parliamentary representatives was cooperation with underdeveloped countries. The Conservative Party had warmed up the topic in advance by claiming--the way it did the previous year--in its group address last week that over 30 percent (or a good 370 million marks) of last year's appropriations for underdeveloped countries was still unused at the beginning of December.

Foreign Affairs Minister Paavo Vayrynen strongly disapproved of the Conservative Party's attempt to give an erroneous conception according to which the citizens' money was left unused.

According to Vayrynen, roughly the same amount of appropriations as last year, about 140 million marks--which is approximately 15 percent of the available funds--is transferred for payment this year.

Partial transfer of payments to the following year is natural, according to Vayrynen, in a system in which cooperation with underdeveloped countries is carried out as projects which last years.

## Conservative Party Urged Aid in Form of Goods

Heikki Jarvenpaa of the Conservative Party was not convinced by Vayrynen's explanation. He continued to suspect that with the help of various bookkeeping tricks a part of these funds would be used ineffectively. The Conservative Party also urges that aid to underdeveloped countries be delivered, more than previously, in the form of goods.

In the opinion of social democrat Paavo Lipponen, there is no reason in Finland to foment a feeling of national shame about the small amount of aid to underdeveloped countries. He pointed out that in recent years Finland has increased its aid to underdeveloped countries the most quickly among all the advanced market-economy countries.

Last year Finland reached the OECD average and will surpass it this year with its national product share of 0.4 percent. However, the goal established by Parliament of achieving a national product share of 0.7 percent in 1988 was considered unrealistic by Lipponen.

According to Lipponen's information, of the countries more affluent than Finland, the Federal Republic of Germany, among others, has trudged along for years at under 0.5 percent, and Japan gives proportionately less aid to underdeveloped countries than Finland.

Lipponen considered it a problem that aid to underdeveloped countries at present seems to go to waste in large part, especially if changes in economic policy do not take place in sub-Saharan Africa. Tanzania, Finland's chief recipient country, is there, among others.

"The goal is not for our aid to underdeveloped countries to one-sidedly prop up the urban upper class of underdeveloped countries and cause a weakening of initiative or for us to pursue wide-ranging cooperation with countries which use a substantial part of their national product for armaments," said Lipponen.

## Strengthens Call for Defense Commission

Helsinki HELSINGIN SANOMAT in Finnish 10 Jan 85 p 11

[Article: "Support Found for Defense Commission; Backing Also Among Social Democrats for New Parliamentary Agency"]

[Text] The proposal--which for the time being at least has penetrated the negative stand of the Social Democratic Party--for the appointment of a fourth parliamentary defense commission received support in the Parliament on Wednesday night.

In the night hours, the Parliament dealt with the principal section of this year's Defense Ministry budget, in connection with which the debate over the Lake Inari incident raged once again.

The question of a new defense commission has proven to be difficult especially

for the social democrats, who just before Christmas took a negative stand on the so-called minicommission advocated by Defense Minister Veikko Pihlajamaki (Center Party). President Mauno Koivisto's lukewarm attitude toward the issue has not influenced the stand in the least.

Defense Minister Pihlajamaki stressed that treatment of the commission question is by no means finished in the government; as a matter of fact, the government has still not dealt with the responses requested of the parties. The minister still proposed the appointment of a narrow commission.

#### Different Atmosphere

The night debate showed that among social democrats there is a different atmosphere concerning the need to appoint a commission. Paavo Lipponen of the Social Democratic Party supported the commission previously, and Pekka Myllyniemi now joined the ranks.

In Myllyniemi's opinion, the parliamentary representatives are offered in the commission the only possibility for getting an insight into the entire security policy. He did not consider a mere appropriations commission necessary, however.

Myllyniemi quoted President Koivisto's newspaper statement from 1982. "It would seem at this moment that there is no reason to appoint committees for the sake of emphasizing--in connection with them--the general needs of the defense forces," said Koivisto in a SOTILASAIKAKAUSLEHTI interview in November of 1982.

The changed security situation would presuppose the appointment of a new commission, in Myllyniemi's view.

Mauri Miettinen (Conservative Party), chairman of the defense committee, urged the government to resolve its internal squabbles and clarify its view on establishing a commission.

Miettinen repeated the Conservative Party's position, according to which there are grounds for appointing an agency broader than a minicommission. The Conservative Party has also stressed that the commission needs a broad mandate.

Sten Soderstrom of the Taisto Sinisalo faction of the Finnish Communist Party made common cause and pointed out that the SKDL [Finnish People's Democratic League] opposes a classic finance commission. The SKDL has given its support to a broad commission which would ponder, among other things, problems brought about by cruise missiles.

Soderstrom reminded Kauko Juhantalo (Center Party) and especially Pertti Paasio (Social Democratic Party) of statements made on television in the autumn in which the group leaders quite unreservedly backed a so-called weapons procurement commission.

Kalle Konkola of the Greens did not consider a narrow procurement commission necessary but supported a commission on which representatives of the peace movement would also sit.

The debate which began again about the incident in the north focused on the issues of information transmission, readiness of the defense forces, efficiency of the radar network and the obligations imposed on Finland by international agreements.

Tuure Junnila of the Conservative Party's right flank believed that the missile controversy had revealed serious weaknesses in the surveillance of Finland's airspace. He emphasized that the winged object was not identified more precisely.

Junnila pointed out that Norway's air surveillance had obviously made much more detailed observations. He concluded that there are deficiencies in personnel resources and army preparedness due to the meagerness of funds for weapons and that the preparedness is not on the level of the state treaty obligations.

Soderstrom of the far-left faction of the Communist Party had a different view, of course. In light of the incident, he considered preparedness relevant and thought that the Paris peace treaty above all imposed on Finland maximum, not minimum demands.

Junnila reminded Soderstrom of the Friendship, Cooperation and Mutual Assistance Treaty, which obliges Finland to defend itself by all means.

Soderstrom pointed out that Norway had at its disposal NATO surveillance units which "have followed the military maneuver which has obviously been in progress." Myllyniemi believed that Norway also had at its disposal American intelligence data outside NATO.

Taking a position somewhere in between was Elisabeth Rehn (Swedish People's Party), who considered the army's technical equipment satisfactory "in spite of everything." Communication, more than anything else, was what broke down at Lake Inari, in her opinion. Junnila considered the defense forces' activity praiseworthy as such but found that the technical preparedness called attention to itself.

The Conservative Party's Miettinen linked the regional surveillance problems to the personnel crisis and said that round-the-clock surveillance was indeed technically possible.

Due to the personnel shortage, the surveillance level of low-range and naval surveillance radar is only 30 percent, according to Miettinen. "The level of stationary underwater surveillance is satisfactory in the south, but the possibilities for mobile naval surveillance are considerably less," he said.

Pihlajamaki, who brought the debate to an end, was pleased that the discussion of the territorial violation "has calmed down so quickly." According to Pihlajamaki, "the surveillance facilities particularly in northern Finland are today very modern."

Komsi Absent

The clumsy attempts at voting initiated Tuesday by the Finnish Christian League

continued on Wednesday, when the Parliament voted on the principal sections discussed during the night.

This time it was the turn of the Greens' Ville Komsa, who had introduced four proposed changes in the Defense Ministry's principal section.

Komsa was absent from the session hall when group partner Konkkola, who presented the proposed changes made in Komsa's name, did not receive support. And so the ultimate truth remained unclear: would, for example, Komsa's proposal for a 200-million-mark reduction in the army's wage outlays receive backing from any groups? The proposal had no possibilities for passage, of course.

The same thing was to occur in the Education Ministry's principal section, but Konkkola received help from Liisa Kulhia. A technical change was also made in this principal section because, on the decision of the standing finance committee, 100,000 marks was dropped from the occasion of "Word and Melody in Kalevala Kajaani."

The SKDL demonstrated commendable unity in the votes on the Education Ministry's principal section and elsewhere as well. For example, the entire group supported an appropriation of 1 million marks for remodeling the furnishings of the Culture House's assembly room sovereignly ruled by the Finnish Communist Party majority. The proposal was defeated, however, by a vote of 153 to 33.

#### Improved Air Surveillance Pledged

Helsinki HELSINGIN SANOMAT in Finnish 15 Jan 85 p 11

[Article: "Air Surveillance Guidelines Reformed; Valtanen Stated Lessons of Inari Missile"]

[Text] It was announced on Monday by General Jaakko Valtanen, commander of the defense forces, that steps are being taken to examine and correct the guidelines for Finland's regional surveillance as a consequence of the Inari missile incident. There are also plans to focus attention on strengthening the transmission of information and keeping the supreme command informed.

Valtanen explained the Inari missile incident rather extensively at the opening of the 94th national defense course which began in Helsinki. In his speech, Valtanen replied to doubts concerning the effectiveness of Finland's surveillance capacity and to inquiries and censures concerning the announcement of why the missile was not destroyed.

Valtanen repeated the Inari events as follows: at approximately 2:30 pm on 28 December, the air surveillance system of the Lapland region spotted an unidentified object flying almost directly from the east toward Lake Inari at an altitude of roughly 7 kilometers and at a velocity surpassing the speed of sound.

When a moment later the border violation appeared unavoidable, headquarters ordered a spotter plane from Rovaniemi into the air despite the bad weather. The plane rose from the runway, and about 9 minutes later at 2:40 pm it was at



the northern end of Lake Inari; the spotter plane which arrived at the location was unable to perceive the object.

"The radar observations made were immediately relayed to higher-level leaders, at which time the supreme command of the defense forces also received word of the incident. At the same time, the border patrol establishment began an investigation of the border incident and terrain searches in the area of the flying object's disappearance. The air force also began to carry out investigations and examinations in order to shed light on the disappearance of the object," said Valtanen, recounting the course of events.

#### "Taken Seriously"

Valtanen pointed out that in connection with the incident doubts have been cast on the surveillance and prevention capacity of the defense forces. "As the chain of events I previously presented shows, our air surveillance system spotted the flight and followed it for several minutes. A spotter plane was quickly put into the air, and the incident was taken seriously and in accordance with all the provisions given for surveillance. Reports were made within the defense administration and to the border patrol establishment without delay," said Valtanen in response to doubts.

#### Must Be Concerned About Press

"Criticism has been presented in public owing to the fact that, except for the Defense Ministry, the remaining political leadership was not immediately informed. The incident does provide grounds for studying the need to test and rectify our present regulations, but it is scarcely possible to haggle over the demand for the reliability of information."

In his speech, Valtanen also remarked on the Inari incident's announcement, which was harshly criticized by the international press in particular. Providing information was the duty of the border patrol establishment, which is subordinate to the Interior Ministry.

"Taking into consideration that from the very outset political speculation involving the superpowers was linked to the incident, it was quite correct, in my opinion, for the border patrol establishment, conscious of its responsibility, to observe a policy of tight and scanty information."

With a snap of the fingers, however, Valtanen had to admit: "Maybe the international journalists on location could have been looked after more considerately. Cooperation of all the authorities would certainly have produced a better result there."

With reference to cooperation of authorities, Valtanen was thought to have meant, for example, that a press official from the Foreign Affairs Ministry could have gone to Ivalo to look after the foreign journalists.

## Why Did Norway Speak About Cruise Missile?

Speaking about information, Valtanen also delved into the difference in viewpoints between the Norwegians and the Finns. He pointed out that the "sensationalistic" term cruise missile did not correspond to the Finns' concept of the object's nature.

"Why the Norwegians used this term is anyone's guess," said Valtanen. He did not explain exactly what kind of missile was at issue, however.

## Minister Makes Decision on Shooting Down

In his speech, Valtanen also replied to questions about why the defense forces did not destroy the missile. According to Valtanen, those who ask such a thing have not taken into account the prevailing situation. We in the Nordic countries live in a profound state of peace and, this being the case, the army's surveillance system was in basic preparedness.

Valtanen stressed that the air force carried out all the preparatory requirements and tasks which are imposed on it when a normal state of peace prevails.

The use of forceful measures--for example, a spotter plane's opening fire--presupposes that the border violator performs separately defined acts classified as hostile and, in addition, a decision by the political leadership is always required in peacetime for opening fire. In practice, the decision is made by the defense minister.

Making the decision to open fire presupposes visual recognition or visual perception of the object in order to avoid fateful blunders. A mere radar picture is not enough.

When a crisis threatens, the defense minister can delegate his decision-making authority downward to the level of military implementation.

When there is good reason, our preparedness can be enhanced for a short time by putting all surveillance radars, for example, on round-the-clock operation, said Valtanen.

In addition, the fighter planes can be dispersed to different fields and transferred to continuous cockpit duty; the antiaircraft units can be grouped as ready to fire in fixed directions.

"We can if necessary in a normal period carry out all the proposed measures at an appointed time, but our power resources are insufficient for uninterrupted operation.

"If you want to improve the defense forces' surveillance capacity in peacetime, it requires a political decision with economic consequences. With the current resources, there are no possibilities for significant measures to improve peacetime surveillance capacity," said Valtanen.



## Civilian Service Law to Government

Defense Minister Veikko Pihlajamaki, who also spoke at the opening of the national defense course, announced that the laws concerning reform of civilian service will be brought up for treatment by the government this week. The goal is to give the government bills to the Parliament next Friday.

The new laws mean that, by granting a deferment, Jehovah's Witnesses are completely exempted from the performance of military service in peacetime.

Investigation into the religious persuasion of those applying for civilian service is terminated, but at the same time the period of service is lengthened from the current 1 year to 16 months. In the future, civilian service men will be accepted 3 times a year, roughly 300 men at a time.

To begin with, civilian service men will receive in the future "humanitarian" training in two courses, rescue service and first aid. After the training, service continues in accordance with the training course as practice or work service in the state's civilian administration, in municipalities and in municipal leagues and central hospitals.

Pihlajamaki denied claims that civilian service would be militarized through the reform.

12327

CSO: 3617/57

POLITICAL

FRANCE

ABOUCAR DESCRIBES CAPTURE, EXPERIENCES IN AFGHANISTAN

Amsterdam DE TIJD in Dutch 14 Dec 84 pp 18-22

/Article by Charles van der Leeuw: "The Afghan Adventures of Jacques Abouchar: 'You're Not a Journalist, the General Said, You're a Spy!'"

[Text] For several weeks now, relations between France and the Soviet Union have cooled somewhat. The cause was the arrest in Afghanistan of French television journalist Jacques Abouchar. Back in Paris, Abouchar tells of his adventures in Afghan captivity. "You can scarcely imagine what a nasty, primitive gang they are there."

See Russian television reports on the Afghan war, one thinks of 1945. Happy faces and sporting scenes in the army camps where "our boys" are engaged in a valiant struggle against an enemy that is the embodiment of evil itself. A smiling Afghan authority or an Afghan man on the street who congratulates a proud Russian general on the umpteenth "victory over the imperialist mercenaries."

The fact that reality is different does not interest these television producers in the least, if they even suspect that to be the case. News is good news if it is about us and bad news if it is about the enemy. News has an "educative" function and must preserve an optimal feeling of self-worth among the people. Showing the truth, which is degrading for the home front, is an undermining activity.

Jacques Abouchar, television reporter for the French station Antenne Deux, found this out. In August of this year he went to Pakistan in order to secretly cross the Afghan border and, at his own risk, go to work with his camera. "On 15 August I arrived in Quetta, in northern Pakistan. So many reports have already been done on Commander Mas'ud in the Panjshir valley, so I wanted to go to Herat, in northwestern Afghanistan, where a strong urban guerrilla is active, a place where practically no journalist has ever set foot. In addition, Herat is near the Iranian border, and I wanted to see to what extent the resistance there is under the influence of Khamenei. Isma'il Khan, the local resistance leader, is known to be a political associate of Mas'ud, but no one knows how firmly he's in the saddle."

## Rough Journey

A rough journey by convoy followed, westward towards the point where the three countries meet in the desert of Baluchistan. "A barren area where there is practically no government. It's known for banditry, but since our convoy was large and moreover was transporting weapons, we didn't see any of that. We finally arrived and then had a breakdown. The intention was to transfer the weapons to other trucks which would take us north. When? Tomorrow, over and over again: tomorrow. After 3 weeks I had to return to Quetta without having accomplished anything.

"I gave up on Herat, but I did want to do something. Next to Peshawar, Quetta is now an administrative center for the resistance, where many leaders are in exile. I remember one fellow, a certain Said Muslem, leader of a group that called itself Feda'in-e Islami. He had been a soldier in the Afghan Army, was educated at the military academy of Moscow, and had advanced to the rank of general. Then, shortly after the Russian invasion, he went over to the resistance. He showed me a film which showed him in action. A real general, storming out ahead of his men with his arm raised while helicopters skimmed by above his head, bullets whizzing by his ears, tanks looming and everywhere--phssht pfssht--craters dug out by bombs and grenades, incredible! I must say that I've never seen anything like it. But now Muslem was grounded; he was no longer getting weapons and money. His people in Afghanistan have been sitting empty-handed for 2 years. According to Muslim resistance leaders he is supposedly not orthodox enough. He plays golf and drinks whisky. I can still see him sitting, a true joyeux-vivant, with every glass of whisky he shouted, 'Definitely not Muslim, is it? To the future!'"

Abouchar finally got the chance to go along with another convoy to Kandahar, in southern Afghanistan, the country's second city. The convoy was going under the auspices of Ahmad Gilani, leader of a resistance group that wants to restore to power the former king of Afghanistan, who is now living in exile in Rome. "He is related to the royal house, a genuine aristocrat. When I first saw him, I thought that I was dealing with a Netherlander, rather tall, a pointed face and sandy hair. He has heaps of money in a Swiss bank account and is continually buying weapons. He lives in a beautiful villa and keeps a bodyguard, lives like a prince. In short, a complete antipode of poor Muslem with his film and his whisky...oh God."

In the middle of September, Abouchar traveled across the Afghan border with one of Gilani's convoys. But 30 km further they fell into an ambush, and although Abouchar did indeed arrive in Kandahar the following morning, it was under different circumstances than what he had intended. "I was taken to a Russian army camp and interrogated by five officers. The following day I was flown to Kabul and ushered in to see a Russian general. A big, robust man with those thick eyebrows, just like the stereotype image we have of a Russian in the West. He sat there and rattled on for 6 hours. All about what a great man Stalin was, a great friend of General De Gaulle...."

Abouchar does not feel that he was treated aggressively. "This man was not what you would call hostile, instead I would say that he was dangerous. One

minute cordial, amicable, the next minute starting up with threats, you know what I mean. My passport said 'Profession: businessman': I did that to avoid being bothered at borders and in applying for visas. Of course I also had a press card on me. He asked, so what are you really, a businessman or a journalist? I said, a journalist. He looked at me triumphantly and said, shall I tell you something? You're not a businessman. You're not a journalist. You're a spy!"

#### "Rooms of Horror"

Jacques Abouchar was handed over to the Afghan authorities and taken to the headquarters of the secret police, KHAD, in the basement of the ministry of interior. Since the Russian invasion, these headquarters, nicknamed the citadel, have developed a pre-eminent reputation under the direction of a Tajik from the Soviet republic of Tajikistan, a race that constitutes an important part of the population of Afghanistan as well. Under the regimen of this Vatan Shah, the so-called otaq-e wahshat has come about, the "rooms of horror," where prisoners are interrogated and where the most frightful scenes take place. Thus, witnesses before an investigating commission of the Russell tribunal reported that they had seen enclosed spaces filled with chopped off limbs which gave off a putrid stench. Also famous are the Louis XI cages, in which prisoners sit in a bent position without being able to move.

Abouchar: "I was interrogated there for 3 weeks. I must say that I did not receive a single blow from either a Russian or an Afghan. There was indeed psychological badgering; being awakened in the middle of the night, and then it starts all over again, for hours on end, that same old spy story. I never agreed to it. Others in the same cell with me, mostly Afghans, were indeed mistreated. Some came back with bruises and hemorrhages. Others had had electrical shocks applied. One guy vomited blood because they had worked over his stomach area.

"It was without exception people who came from the resistance. A boy of about 17 who had been involved in the bomb explosion in Kabul in August in which dozens of people were killed, was given 15 years. The rest of the perpetrators were executed.

"In the prison it was different. There there were many communists, supporters of Amin, but also of Karmal himself. One of them, the only one who spoke a little English, was a personal friend of Karmal and had been head of the intelligence agency at Mazar-e Sharif. He always said, if Babrak Karmal finds out that I'm here, I'll be freed right away! He had been there like that for 4 years without being charged, to say nothing of a trial. Incidentally, this is certainly evidence supporting the fact that Karmal is nothing more than a sort of puppet. He has long been known as a moderate force within the party, and is also quite ready in his heart for a national compromise."

In Abouchar's opinion, power in Afghanistan is exercised in reality by Najib, the head of the secret police. "He forms the link between Karmal and the Russians. He's a tough one; Karmal won't live an hour longer than Najib says he can. If you hear one day that Karmal has followed the path of Indira Gandhi, you can be sure that Najib is behind it."

## Chopped to Pieces

The Pol-e Charkhi prison, where Abouchar was sent after his sentencing, gained an ominous reputation under Amin (Abouchar: "An hysterical madman without equal"). The place 10 km east of Kabul has entered history as the terminus for thousands of men, women and children. The low point in the history of Pol-e Charkhi was the regimen of director Sayyed 'Abdollah, a mentally-deranged man who at the end of 1979 was literally chopped to pieces by a prisoner.

When Karmal announced a general amnesty after his coup in 1979, there appeared posted to the facades of post offices in Kabul lists of the names of a total of 12,000 people imprisoned in Pol-e Charkhi, with the obscene added note that it no longer made sense to send them packages. When the amnesty measure took effect in January 1981, there were 15,000 people missing. It was not without embarrassment that Karmal had to admit that during the rule of his predecessor and former comrade in arms Amin no fewer than 27,000 people were killed at Pol-e Charkhi alone. Figures for other prisons such as Dajalalabad and Mazar-e-Sharif were not available.

The trial of Jacques Abouchar took place on 20 October and lasted 2 hours. Abouchar: "I received a French translation of the charges in advance and based on this, I drew up a defense. I defended myself, even though the officer demanded the death penalty four times. God, how that man went on, it was rife with cries of terrorism, imperialism, subversion. Finally the tribunal retired for 20 minutes. In a case like this that's a promising sign, because these are revolutionary tribunals, and normally the judge simply leans to the left, then to the right, and boom--right away a sentence."

Abouchar was sentenced to 18 years in prison. "The judge was markedly generous towards me. Moralizing a little, looking for understanding, in the vein of: what would you think if a foreign journalist secretly entered your country in the company of terrorists, would someone like this get off scot-free in your country? I said, of course not, we wouldn't shoot him, but he would not get off just like that."

## Diplomatic Offensive

In the meantime, unknown to Abouchar, an all-out diplomatic offensive was underway by France, under the leadership of the chairman of the National Assembly. Abouchar: "I did not hear about until, right after my sentencing, I was allowed to see the French consul, although he couldn't make any promises." One day before his release, the first weekend in November, Abouchar was summoned to the warden of the prison. "I got the umpteenth sermon, about the crimes of imperialism, the undermining activities of mercenaries, blah blah blah. Then he asked if I was in good health, if I was doing all right under the circumstances, he offered me a cigarette and said that I was getting a separate cell, with a sink and a toilet, a bed with blankets, all things that I hadn't seen in all those weeks. You can scarcely imagine what a nasty, primitive gang there is in that type of prison."



"That evening a television was even brought to me, and my buddy, the English-speaking 'friend' of Karmal, was allowed to see me. Karmal appeared on the newsreel and announced that at the request of the French president he had decided to pardon me. My fellow prisoner grabbed me and said, it's happened, tomorrow you'll be in Paris! The following morning I was taken away, with a little box containing toiletry articles. Everything had been confiscated, money, property, equipment. I never saw those things again, who knows, maybe the Afghan television is using them all right now."

The aftermath of what has in the meantime come to be known as the Abouchar affair is not over yet. Only recently, the Russians news agency TASS inveighed against the French Government and Western public opinion, accusing the French of an "anti-Soviet campaign." In France the reaction remained somewhat subdued; the Russian rage was attributed to "lack of understanding" for the value attached in the West to the free gathering of news.

### Russian Tactics

In fact, however, the Russian authorities have plenty of reason for seeing the free gathering of news as a threat to their interests. The invasion of Afghanistan in 1979 was intended to restore order by lightning action and to gain under Karmal a kind of national unity on favorable terms with the Soviet Union. But the resistance turned out to be too tenacious and the result was a barbarous and hopeless war, in which the Russians have also in the meantime left a number of My Lai's in their wake.

An example was in September 1982 when an unknown number of inhabitants of Padkhab-e Shana fled into an underground irrigation canal, upon which soldiers filled the tunnel with fuel and burned the entire assemblage alive. Or on 26 February, when early in the morning the Russian air force flattened with bombs all the villages in the Kounar valley without any differentiation. Abouchar: "Every province where the resistance is active is now in effect without a civilian population. Those are the Russians' tactics: bomb until the ordinary population has fled so that the resistance becomes isolated from its support elements. Tactics that have proven to be very effective."

In Abouchar's opinion, any hope of a compromise in Afghanistan is completely illusory. "If the Russians pull out, Karmal won't last a day. The cells in 'the citadel' echoed every hour of day with prayers and Koran passages. With the Moujaheddin it is a question of simple people from the country who blindly follow their traditional leaders. These are fanatic Muslim integrists, against whom the moderate Islamic intelligentsia doesn't stand a chance."

Afghanistan is faced with a bleak future, no matter how the war turns out. "In fact, Afghanistan has the choice between total Russification under a diehard like Najib and an Islamic republic on the Iranian model, or rather based on the ideas of Akhwan al-Muslim, the Muslim brotherhood, Khamenei's Sunni equivalent. The old regime is useful to them only as a source of money; the resistance appears to be unified right now, but I don't nurse any illusions at all about their true inclinations."

12271

CSO: 3614/52

POLITICAL

PORTUGAL

NATO BLAMED FOR PAST, PRESENT PROBLEMS

Lisbon O DIABO in Portuguese 25 Dec 84, p 4

[Article by Jose Manuel Leca: "Let NATO Pay for the Crisis!"]

[Text] It is amazing how the simplest solutions sometimes take so long to be found. The history of mankind has been made with consecutive shouts of "Eureka!"; and the first thing that their authors do, whether or not they are in their bath, upon uttering them, is to clasp their heads and say: "My God, how could I possibly not have thought of that before, when it is so obvious?"

I think that this is what happened recently to the illustrious presidents of the regional governments of the Azores and Madeira, Drs Alberto Joao Jardim and Joao Bosco da Mota Amaral; individuals for whom (as the readers must surely know) I have the greatest regard and esteem, particularly because of the constant evidence of political realism with which both of them favor us every day.

As for the Madeira leader, it may well be claimed that he has just discovered what is usually termed "that it is easy when one knows how." After this discovery, we can surely sit under the shade of the banana tree, having decided that all the great problems emerging from the troublesome economic crisis in which we have been involved for 11 years still remain.

It is true that some very brave lads (who do not, what a notion!, bear any responsibility for the situation which "this" has reached) had already sometimes discovered the magic formula that would put an end to our financial problems. "Let the rich pay for the crisis!" The slogan was widely publicized on walls all over the country, in the "headlines" of the "progressive" newspapers and in demonstrations, from north to south, which gripped millions upon millions of those fascinated by the home remedy. But the rich turned a deaf ear and stamped their feet, shouting, in turn, about Switzerland or Brazil, where they had been rejected: "You wanted this!" And they gave us the same obscene gesture that immortalized Bordalo Pinheiro's puppet.

With the hypothesis of the rich failed, and the poor self-excluded from the game of solving the difficulty, we had to wait several years until, finally,



someone remembered what should have become evident to everyone a long time ago. This time, the shout of "eureka!" came from the charming town of Funchal, and was uttered by dear Alberto Joao, my preferred candidate for Belem. It was so resounding and strong that, crossing the Atlantic, it was heard distinctly in Lisbon: "Let NATO pay for the crisis!"

We have a man! Isn't this the very realization of what must be so? What NATO is, that it is like someone saying the United States, don't you agree? Wasn't it NATO, perchance, that caused "25 April"? Wasn't it NATO that imposed Vasco Goncalves on us as prime minister? Admit it, wasn't it NATO that nationalized our businesses? In short, wasn't it NATO that, with its destructive policy, led us into the misfortune in which we find ourselves? Only sectarian individuals would say that it was not. As for me, I am for Jardim: It was (and it was!) NATO that did all this; so, let NATO pay the bill, pardon, for the crisis.

The insular discoveries of the past few days have not yet been made around here. Not to lag behind his Madeiran counterpart, the Azorean leader ( he, poor thing, viewing Belem through a straw) also had his shout of "eureka!". It was when he maintained that the separatists should be legalized, possibly winning a seat in Parliament and receiving the corresponding sinecures. The reasoning is simple; they exist, so they should be pampered.

As for me, who for a long time has fought for the independence of Baixo Alentejo (I have even led the clandestine MIBA), I cannot conceal my pleasure. Instead of going about conspiring in the saloons of Beja, where I go every week "disguised" as a "large estate-owning swine," I shall certainly soon be able to stroll through the halls of Sao Bento, made a deputy, with a right to air time on television. And hence I call upon my independence-oriented colleagues in Algarve, Minho, Tras-os-Montes, etc., to imitate my example, adopting the slogan: "Portugal is Lisbon, and the rest is ours."

2909

CSO: 3542/85

POLITICAL

PORTUGAL

SOCIOPOLITICAL SYSTEM SEEN IN 'LETHAL CRISIS'

Lisbon SEMANARIO in Portuguese 21 Dec 84 p 8

[Commentary by Jose Miguel Judice: "The Kiss of Death"]

[Excerpts] The political crisis in which Portuguese society seems to bogging down has been attributed by some people especially to the incompetence of the leaders who have been responsible for the final say in the decisionmaking process. While recognizing that there is some truth to that working hypothesis, I consider it justified to emphasize, as many times as necessary, that the chief defect is not to be found in people, who wind up pulverized in the workings of a system that is in a process of accelerated disintegration. Others might be able to do a little better, but not enough better to prevent the final "balance sheet" from being thoroughly negative.

But if the trouble does not lie in men themselves, it is doubtless to be found in the current system, which is unviable and paralyzing. It is certainly true that saying no more than that sounds trite--like an empty cliché. That is why I consider it rather important to reflect on what is wrong in the system and then, probably in a later article, to throw out a few clues as to what the process of breaking with the current system must consist of and to indicate a few facts that must define the new phase.

I believe that the basic origin of the crisis in the system is to be found in a kind of psychological block that makes the decisionmaking process difficult or impossible. This leads to constant and systematic procrastination in the face of issues, which thus become increasingly difficult issues to resolve. That block surely has to do with the crisis of national identity (which prevents a clear social perception of the overall strategic objectives of Portuguese society) and with the way in which political strife has been organized within the political system. By this I mean that the political class, segregated by the system, has been characterized on the one hand by excessive dependence on the government and, on the other, by excessive impunity in relation to its own failures. That dependence and that impunity foster a more or less general tendency to try to reconcile the irreconcilable, to try to survive by not displaying hostility toward those who might assume power in the future, and to try, more or less consciously, to limit one's decisions to what has become obvious and accepted by all. The result is that political leaders follow the desires of the masses rather than, as would be natural (and in the

Portuguese situation indispensable), anticipating the evidence and taking charge of events.

On the other hand, the crisis in the political system has to do with its historical origin and the legacies of a period of revolution that the psychological block has not been able to transcend. Those legacies have to do with economic structures (we see the Left trapped in its defense of the big industrial groups from the days of Caetano that the revolution nationalized), with human groups (we have the political parties excessively turned in on themselves and often partially under the thumb of many people who, when you get down to it, lack the minimum political ability to perform the functions to which they have exalted themselves), with mental structures (we have myths like the one about revolutionary gains, which is causing the state to go blithely bankrupt to support firms it nationalized but has not even paid for yet), and with cultural backwardness (seeing that the same 10 years during which we have been occupied with carrying out and trying to undo retrograde revolutions photocopied from the history pages of 50 years ago have been the 10 years in which the technological revolution has accelerated).

The result of all this is that the tendency toward archaism that has characterized Portugal for over four centuries (with a few rare and unacclimatized phenomena of modernizing effort) has suddenly become accentuated as a kind of Portuguese-style "Khomeyni-ism." In the rest of the world, men who are now about 40 years old are the levers of modernization at the most varied levels, but in Portugal they are the terminal generation in a process of archaizing regression which, as was true in Iran, does not lack the verbose backing of a poorly assimilated progressivism. In fact, at a time when the European world is preparing to catch up after suddenly finding itself left behind by the United States and Japan--and, in its attempts to do so, is promoting technological research, the opening up of markets, modern financing methods, and modern forms of economic management--Portugal has locked itself into irreversible nationalizations, rigid labor markets, uncontrolled budgets, and nationalized banks that administer credit in the traditional way (because if they did anything else they would be castigated) and subject everything to the logic of "public service"--in the bad sense of that expression.

Portugal is falling behind, perhaps irretrievably. At a time when cable television and pluralism in communication are being introduced, we have a constitution stipulating that television can only be state owned; at a time when it is being recognized that completely free education is unfair because it provides the rich with services paid for by taxes, the Constitution is worded in a way that prevents reform; at a time when it has been proven that flexible labor laws are what made the takeoff of the U.S. economy possible, everyone knows what we have here; and at a time when governments are selling shares in state-owned enterprises, denationalizing, and opening up to foreign markets, Portugal is like a world apart, with state-owned enterprises and private firms being ruined by interest rates, banks that are almost bankrupt, and everything and everybody dependent on the opinion of some secretary of state or other.

That is the way it is, but that is not why the politicosocial system is in a lethal crisis. What is most serious is that this system is the ideal ecosystem

for the kind of realities I summarized above by way of example. The result is that those situations are reproducing themselves and expanding in Portugal in a very lively fashion, whereas all efforts to row in the opposite direction weaken due to the lack of favorable conditions. Anyone who does not want to speculate, anyone who does not want to practice tax evasion and participate in the underground economy, anyone who does not want to limit himself to investing his money in time deposits, and anyone who does not intend to buy the many people for sale can be certain that he will spend his time plugging the holes opened by bureaucrats, getting around obstacles raised by petty tyrants, and solving problems caused for him by clever rogues who go unpunished. And if he does not give up before he starts, he will spend the rest of his days calling himself a fool for not having converted into cash what was invested in U.S. treasury bonds or something similar.

Actually, the most tragic aspect is that the natural evolution of a virus in a favorable ecosystem is never in the direction of its eradication but, on the contrary, its further growth. The current system, left to itself, is moving inexorably toward destruction, and with a real kiss of death, it will take with it the political system and even--if it is given time--national independence. The independent attempts and efforts--by definition meritorious--to correct some of the consequences of the system are only contributing to its preservation and survival. By not attacking the causes at the source of the crisis in which we are becoming mired, everything that has been done has been nothing more than a cosmetic effort making the monster less repellent and, as a consequences, more capable of continuing to survive.

That this is true seems obvious and is beginning, finally, to become almost a matter of consensus. After preaching in the wilderness along with a few others and writing things here which, after all, I was hearing every day from the mouths of so many people, I take consolation in hearing the secretary general of the PS [Socialist Party] say, in a remark addressed to the CDS [Social Democratic Center Party], that Portuguese society is stuck fast and that the trouble is not in the various governments but in the blockages. Two years ago, when the Constitution was being revised, it would have been possible--if the PS had wanted to--to break some of those blockages. The PS has been heading the government for 18 months, and if Soares is now being sincere, the Socialists themselves are recognizing that too much time has already been wasted. If there is anyone who cannot be suspected of being pro-Socialist, I think I am that person. But I will be here taking off my hat if Mario Soares proves within the next 6 months that it is possible to regenerate the current system with no need for a process of breaking with the past. But no one will find it odd that I do not place any hope in the likelihood of that happening.

11798

CSO: 3542/75

POLITICAL

PORTUGAL

POLL ON SELF-PERCEPTIONS, GOVERNMENT CORRUPTIBILITY

Lisbon O JORNAL in Portuguese 21-27 Dec 84 pp 14-15

[Excerpts] In a country where the majority considers itself "neither rich nor poor" (59 percent) or poor (38 percent), a good number of people point to corruption as the means most often used to get rich (53.5 percent), and members of the government seem well "situated" (in third place, after police officers and fiscal guards) among "those who can be most easily bought for money," according to a poll conducted by NORMA for Maria Elisa's radio program "Crossfire" (on Radio Commercial, mediumwave and FM stereo, from 1000 to 1300 hours on Sundays). O JORNAL is the first to reveal a few basic data from that poll.

According to the results of the poll, 58.9 percent of those polled consider themselves "neither rich nor poor," 69.5 percent think that "having a lot of money" is the chief criterion for being rich, and 34.2 percent feel that having a lot of money is a sign of "hard work." According to 43.6 percent, those earning the most money are members of the government, and regarding the existence of corruption in Portugal, over 69 percent say that yes, it does exist (only 4.3 percent say no, and 24.6 percent do not answer).

Corruption is also the subject of other questions, and the results are very interesting. For example, 21.8 percent say that "as a means of getting rich, corruption is extremely widespread in Portugal," and 31.7 percent say that it is "very widespread," but only 1.4 percent say it is "extremely rare," and 4.5 percent say it is "very rare." Also, most of those polled and answering the question of "who is most easily bought for money" name the fiscal guards (30 percent). But just behind the fiscal guards, and almost side by side with each other, are police officers (22.8 percent) and the members of the government (22.6 percent).

Few Consider Themselves Rich

When it comes to being rich or poor, how do those polled view themselves? Like this: 58.9 percent are neither rich nor poor, 38.1 percent are poor, and 2.1 percent are rich. The highest percentages of poor are noted in the interior regions (43.3 percent in the North and 55.3 percent in the South), followed by Greater Lisbon (39 percent), while for Greater Porto and the Coast Region, the figures are 20.5 percent and 33.5 percent respectively.



Few regard themselves as rich: only 2.1 percent in total, as we said. The highest percentage is found in Greater Porto at 3.1 percent--this in a breakdown by region. Taking habitat (rural, intermediate, urban, Porto, and Lisbon) into account, we find the highest percentage of those regarding themselves as rich in Porto (4.9 percent, compared to 2.7 percent in Lisbon). In the rural areas, the percentage is 2.3 percent, while in the urban areas it is 1.9 percent.

If we look at the matter from the standpoint of income in contos, however, we find 0.3 percent considering themselves rich with an income of up to 15 contos, although at that same level, 69.7 percent consider themselves poor and 30 percent regard themselves as neither rich nor poor. At an income of 60 contos or more, on the other hand, 81.1 percent say they are neither rich nor poor, 11.4 percent consider themselves poor, and 7.6 percent feel that they are rich.

The highest percentage of those considering themselves rich is found in the 35-54 age group (3.2 percent). The 70.1 percent considering themselves "neither rich nor poor" are between the ages of 18 and 34, and the highest percentage of poor (33.1 percent) is found among those aged 55 years or over.

What are the main criteria for being rich? According to the NORMA-"Crossfire" poll, 69.5 percent feel that it is a matter of "having a lot of money," 40.7 percent say it is "a lot of property," and 33.7 percent say it is a "good job." Other answers: owning one's own home: 24.6 percent; having a higher education: 19.3 percent; being a big businessman: 18.1 percent; and belonging to an upper social class: 17.7 percent. It is also remarkable that for 2.4 percent of those polled, "having 1,000 contos" is the chief criterion of wealth.

What does having a lot of money indicate? For 22.8 percent, it is a sign of good luck, and 16.2 percent say it means an inheritance, but the great majority says it indicates work: no fewer than 34.2 percent feel that having a lot of money is a sign of "hard work," while 9.2 percent feel that it indicates dishonesty or stealing, 2 percent choose speculation, and 7.8 percent say exploitation.

The highest percentage of those saying that "having a lot of money is a sign of hard work" are found in Greater Porto (44.8 percent, compared to 28.6 percent in Greater Lisbon) and in the North Interior (47.8 percent, compared to 23.7 percent in the South Interior). The percentage in the Coast Region is 32.6 percent. By age group, the highest percentages are found among those between 18 and 34 years of age (34.8 percent) and those 55 years of age or over (34.5 percent).

The statement that dishonesty and stealing are indicated by having a lot of money appears most consistently in Greater Porto (12.6 percent) and the Coast Region (11.3 percent). The Coast also mentions "good luck" (25.3 percent), but here Greater Lisbon is out in front at 26.7 percent. The highest percentage mentioning "inheritance" is in the South Interior (21 percent), followed by Greater Lisbon at 19.7 percent.

## Fiscal Guards, Police, Government Members Easily Bought

Just over 69 percent of the individuals covered by the poll (69.1 percent, to be exact) say what everyone knows: corruption exists in Portugal. Only 4.3 percent say it does not, and 26.6 percent do not answer.

The highest percentages are in Greater Porto (93 percent) and Greater Lisbon (76.8 percent). In the other regions: Coast: 62.3 percent; North Interior: 62.9 percent; and South Interior: 63 percent. By habitat, the percentages rise to 94.1 percent in Porto and 86.3 percent in Lisbon. The lowest percentage is in the rural areas: 59.4 percent say yes, 35.3 percent do not answer, and 5.3 percent say no.

In the opinion of those polled, corruption is a widely used means of getting rich. Specifically, 31.7 percent say it is widely used, 21.8 percent say it is extremely widespread, 10.7 percent say it is neither widespread nor the opposite, and 4.5 percent say that it is rare, while only 1.4 percent maintain that its use is extremely rare.

Of the affirmative answers, the highest values are found in Greater Lisbon and the South Interior, where 41.6 percent and 39.9 percent respectively say that corruption is widely used as a means of getting rich. They are followed by the Coast (29.2 percent), Greater Porto (27.8 percent), and the North Interior (18.8 percent). However, 23.2 percent of those in Greater Lisbon feel that corruption is extremely widespread as a means of getting rich, and their opinion is shared by 26.7 percent in Greater Porto, 23.5 percent in the Coast Region, 21.7 percent in the North Interior, and only 11.7 percent in the South Interior.

"Neither widespread nor the opposite" is the answer from 10.1 percent in Greater Lisbon, 26 percent in Greater Porto, 6.9 percent in the Coast Region, 14.2 percent in the North Interior, and 6.1 percent in the South Interior.

Related to the issue of corruption is this question: which people are most easily bought with money? It should be said right from the start that 31.1 percent did not answer this question, but on the basis of the responses obtained, we see that fiscal guards are out in front, followed by police officers and members of the government.

Of those answering, 30 percent named the fiscal guards, 22.8 percent said police officers, and 22.6 percent said members of the government. The highest figures relative to fiscal guards are found in Greater Porto at 45.8 percent, followed in descending order by Greater Lisbon (38 percent), the Coast (32.7 percent), the South Interior (20.6 percent), and the North Interior (11.3 percent). The police are named by 34.1 percent of those in Greater Porto, 27 percent in Greater Lisbon, 24.6 percent in the South Interior, 23.2 percent in the Coast Region, and 7.7 percent in the North Interior.

Members of the government are those most easily bought with money according to 30.6 percent of those answering the question in Greater Lisbon, 35.4 percent in Greater Porto, 14.8 percent in the Coast Region, 18.3 percent in the North Interior, and 24.5 percent in the South Interior. The percentages are more



balanced when broken down by habitat: rural: 20.1 percent; intermediate: 24.3 percent; urban: 26.2 percent; Porto: 28.8 percent; and Lisbon: 28.7 percent.

#### Politicians in General Also Easy

The NORMA-"Crossfire" poll indicates that after fiscal guards, police officers, and members of the government, "politicians in general" are among those most easily bought with money.

Of those answering the question, 20.9 percent say that is the case. The highest percentage is found in Greater Porto at 32.1 percent, followed by Greater Lisbon at 31.1 percent. The percentage is 17.3 percent in the Coast Region, 11.8 percent in the North Interior, and 15.9 percent in the South Interior.

We conclude from a breakdown by habitat that politicians in general are considered most easily corruptible by 35.4 percent of those in Lisbon, 28.4 percent in Porto, and 32.7 percent in the urban areas. Politicians in general are relatively "well regarded" in this respect only in the rural areas, where only 13.8 percent feel that they are among those most easily bought with money.

#### Who Is Most Easily Bought With Money?

Most corruptible	Total	Greater Lisbon	Greater Porto	Coast	North Interior	South Interior
Members of the government	22.6	30.6	35.4	14.8	18.3	24.5
Politicians in general	20.9	31.1	32.1	17.3	11.8	15.9
Public officials	13.4	15.3	13.7	13.0	15.4	8.7
Fiscal guards	30.0	38.0	45.8	32.7	11.3	20.6
Police officers	22.8	27.0	34.1	23.2	7.7	24.6
Senior bank officers	8.9	13.5	10.1	7.9	3.4	9.3
Judges	8.7	13.6	9.1	9.1	1.0	8.0
None of the above	4.4	5.0	6.2	3.8	6.6	1.5
No answer	31.1	25.6	7.5	26.6	46.6	50.2

#### Who Earns the Most Money?

Highest earners	Total	Greater Lisbon	Greater Porto	Coast	North Interior	South Interior
Members of the government	43.6	41.6	37.9	43.7	48.2	45.2
President of the republic	21.3	15.2	28.6	20.5	12.8	38.1
Industrialists	9.0	15.3	11.6	6.8	4.2	8.2
Businessmen	4.7	5.7	6.5	3.9	2.1	6.6
Doctors	13.3	17.3	11.3	10.1	11.8	17.9
Soccer players	32.5	41.7	51.8	26.6	20.0	32.9

Do You Consider Yourself Rich or Poor?

<u>Self-perception</u>	<u>Total</u>	<u>Greater Lisbon</u>	<u>Greater Porto</u>	<u>Coast</u>	<u>North Interior</u>	<u>South Interior</u>
Rich	2.1	1.1	3.1	2.8	1.1	2.6
Poor	38.1	39.0	20.5	33.3	43.3	55.3
Neither rich nor poor	58.9	59.9	75.0	62.1	55.6	41.8
No answer	0.8	-	1.4	1.8	-	0.3

11798

CS0: 3542/75

POLITICAL

PORTUGAL

NEUTRALITY TOWARDS FRELIMO, RENAMO URGED

Lisbon O DIABO in Portuguese 25 Dec 84 p 2

[Article by Jaime Nogueira Pinto: "What Policy With Mozambique?"]

[Excerpts] The rulers of "this country" have been consecutively deceiving themselves in their political predictions and decisions, both internal and external. Moreover, this is not surprising when most of the options are taken, not on the basis of the state's permanent, enduring interests, but rather that of the incidental and accidental fluctuations and pressures from partisan winds and interests.

The African policy has not escaped the rule and, in the end, it has had as a result, in a scenario of civil war and internationalization of conflicts, namely, that in Angola and Mozambique, the Portuguese State's incompatibility with both Greeks and Trojans. It might well be claimed that, if the trade and human relations have lasted, it is due to the initiative of private parties who, at their own expense and risk, have continued an activity wherein Portugal has also ended up being present, in one way or another.

But let's turn briefly to the situation with Mozambique: At the present time, apart from the human disaster and economic chaos, the former Portuguese territory on the Indian Ocean is undergoing a state of violent civil war, with the RENAMO [Mozambican National Resistance] attacking in all provinces. The cessation of South African military support for the rebels, based on the Incomati Accords, has not put an end to the operations; rather, it seems to have stimulated them, and, at present, it is around the capital that the battles are most lively. RENAMO appears to have survived the cuts in backing from Pretoria, and has even found alternatives on the African level or in the Arab states. Furthermore, the internal reasons for its existence and growth are still present, and have even heightened since, in October of this year, the FRELIMO [Mozambique Liberation Front] government publicly accepted a principle of negotiations with those that it terms "bandits."

In this situation, any initiatives on Portuguese territory against RENAMO leaders or sympathizers do not appear to be very appropriate; first, because as Lisbon's foreign affairs minister himself has noted, Portugal is a political democracy in which the government cannot restrict the exercise of freedom of

opinion and speech. If citizens and national news media are considering reiterating or defending the cause of RENAMO, they cannot be gagged administratively.

Then, with the uncertainty of the territory's near future, it would be blatantly stupid, from the standpoint of Portuguese interests in Mozambique, to persecute one of the competing sides; and all the more so when no one knows whether, in the future, today's opponents will be sharing in the power or not. And it would be a supreme irony, absurdity and tragedy for Portugal if, just before the change, it should opt against the future winner. Finally, when FRELIMO itself is talking with RENAMO (officially or unofficially), it would also be stupid if, more papist than the Pope, the Lisbon authorities should trigger an intemperate action against the sympathizers or advocates of the resistance.

Caution, circumspection, silence and observance of the diplomatic golden rule with respect to the internal affairs of a state with which we are linked by historic interests, the present and the future, appear to be the guidelines for the behavior advisable for the Portuguese authorities.

Any deviation from this line will be paid for very dearly in the future.

2909

CSO: 3542/85

POLITICAL

PORTUGAL

SOARES REPORTEDLY CONCERNED OVER FIRMINO MIGUEL CANDIDACY

Lisbon TEMPO in Portuguese 28 Dec 84-3 Jan 85 p 10

[Text] Portuguese politicians spent Christmas with their gaze focused on Belem [Bethlehem]. Not the town in Judah where Jesus was born, but the rose-colored palace in Lisbon, where the president of the republic resides. Despite the truces usually granted at Christmas-time, the presidential elections continued to occupy a priority position behind the scenes of Lisbon politics.

Close collaborators of Firmino Miguel let it be known that the general's candidacy for Belem is by no means precluded. "The conditions for his personal availability are not yet met," but it all depends on the format and the political plan that is proposed to him.

As for the format, Firmino Miguel rejects a party candidacy, but would be willing to accept a candidacy based on individual actions or those of groups of citizens. With regard to the political plan, the general agrees on the need for changing the Constitution, so that more powers will be given to the presidency of the republic.

Firmino Miguel also favors revision of the economic section of the fundamental law, as well as of the electoral law.

As close collaborators of Firmino Miguel commented this week, "It is a matter of defining and implementing a political plan that the general would link with the electorate. If his candidacy should occur, it would have to be supra-partisan. However, the support of the parties is not to be precluded; so long as that backing comes after action dynamized by citizens or groups of independent individuals."

Victory Almost Certain

Firmino Miguel's potential presidential candidacy would put an end to a huge set of speculations and calculations.

Firmino Miguel could run in the elections with the express backing of PSD [Social Democratic Party], CDS [Social Democratic Center Party] and the new Eanist party, if the latter should be formed.

If this support were insufficient to give victory to the candidate in the first balloting, Firmino Miguel could gain an even broader majority in the runoff election, with the backing of parties as varied as PCP [Portuguese Communist Party] and CDS.

Considering Firmino Miguel's presence in a possible runoff election as certain, it remains to be seen with whom he would contest the presidency of the republic. If it should be a leftist candidate (for example, Maria de Lurdes Pintasilgo), the votes of CDS, PSD and PS [Socialist Party] would be channeled toward Firmino Miguel.

If it should be Mario Soares contesting with Firmino Miguel in the runoff presidential elections, PCP might cast a useful vote, giving its votes to the military candidate.

Be that as it may, analysts agree on the conviction that Firmino Miguel's candidacy would not give any chances to any other candidate, whoever he might be.

#### 'I Am Fed Up With Military'

Moreover, Mario Soares has already expressed his concern over such an eventuality. In a recent meeting with foreign reporters accredited to Portugal, the prime minister announced that, in January, he would decide upon whether or not he will be a candidate for Belem. In case of a favorable decision, the present relations between PS and PSD would be seriously harmed.

But Soares still added that he was "fed up" with "military presidents of the republic." Prime Minister Mario Soares reportedly commented: "Portugal has had a military man as president of the republic for 60 years, and it is time to change that."

Observers interpret this assertion as a personal "touch" regarding Firmino Miguel's possible candidacy; a candidacy that would seriously jeopardize Soares' election.

To PSD, the Firmino Miguel solution would be excellent. The general upholds principles coinciding with those of the Social Democrats in many respects. The revision of the economic portion of the Constitution and changes in the election law are issues dear to the political discourse of Mota Pinto and his most direct collaborators.

#### 'Eanists,' a Step Forward

The Eanist party would also approve of Firmino Miguel's candidacy. An honest, discreet military man, he has the profile demanded by the people from the provinces. Added to this picture is the fact that he is a man enjoying excellent personal relations with Gen Ramalho Eanes; a weighty factor in the "Eanists'" decision.



"Eanists" who have already publicized the draft statutes of the new party, the date of whose founding, initials and political plan still remain to be defined.

Noteworthy among the statutes of the "Cnarpista" [National Commission to Back President Eanes' Reelection] party is "freedom of conscience and speech for members of the party in all offices, activities and circumstances."

Based on this statutory regulation, "Deputies (who may possibly be elected on the new party's tickets) could never be forced to vote against their conscience, and the fact that they have not voted in accordance with the party's decisions does not, of itself, constitute a violation of discipline."

According to the draft statutes, the president of the new party will be elected at a National Convention, the entity's top-ranking organ.

Immediately below it are the National Councils. Other leadership organs called for in the document are the National Steering Commission (with executive powers and that of the party's political leadership) and the National Consultative Council, consisting of "prominent figures in national activity, and party members or backers." This Consultative Commission is described as "a factor for difference," and its nomination is incumbent on the party president, after hearing the views of the National Steering Commission. Its functions are merely consultative.

The draft statutes define the new party's goal as being "to fight on behalf of political, economic, social and cultural democracy, observing the rules set forth in the Constitution of the Republic"; a goal as far-reaching as it is vague.

According to sources close to the movement for the creation of the new party, its formalization could take place in Setubal, at the third national meeting, to be held in January of next year.

2909

CSO: 3542/85

POLITICAL

PORTUGAL

COMMENTS ON POSSIBLE SOARES SUCCESSORS

Lisbon TEMPO in Portuguese 28 Dec 84-3 Jan 85 p 10

[Article by Henrique Valido: "PS: The War of the Dauphins"]

[Text] Most recently, PS' [Socialist Party] internal life has been particularly calm. Mario Soares' undisputed leadership and the unity which victories bring have converted PS into an oasis of serenity within the agitated state of the leading democratic parties.

With PSD [Social Democratic Party] still seeking a worthy successor for Sa Carneiro, and with CDS [Social Democratic Center Party] not yet recovered from Freitas do Amaral's departure, PS has been evoking envy, with its unity around the simplicity and paternalism of Mario Soares. Even that question involving the group from the former Secretariat has been incomparable to Balsemao's misfortunes, with half the party against him. And time took care of obliterating anything else that there was previously.

However, the situation promises changes. With the presidential elections, and the pretensions that Mario Soares is nurturing with regard to them, everything could change inside the Socialist Party. Because if Mario Soares loses, his political end will be immediate; but if he wins, even though he may remain as leader in name, the fact is that, presumably for 8 years, PS will need someone to lead the party in legislative elections and to head its governments. In brief: to exercise power.

Preparing for that eventuality, the candidates are starting to move, seeking the best positions and the best backing for the decisive time.

It is no secret to anyone who the candidates are. Their features are different, and their style as well, and their individual ambitions may possibly vary.

We shall make a brief assessment of the status of each one, leaving for subsequent articles a more detailed analysis of an internal battle that is promised.

Almeida Santos: The current No 2 man in the party and the government; 2 years ago he was almost unanimously considered the party's "strong man" and the

inevitable successor of Mario Soares. He was even indicated as the leader that PS would designate to head the government, in the event that it returned to power.

Since that time, the situation has changed considerably. The stars of his direct competitors recovered some of their shine and his, conversely, paled.

Certain tactical errors and the very circumstances, which appear adverse to the current minister of state, may have contributed to this.

His participation in the government has had its negative features: he carried the difficult ball of the news media, an uncomfortable, thankless position; on the other hand he senses the government's unpopularity in a more intensive manner than Jaime Gama, for example, owing to his responsibility for parliamentary affairs, wherein he is forced to be in the first line of defense for the executive body.

Adding to this certain enmities that he has within PS (we should not forget that his rise took place in Soares' battle against the former Secretariat and in the political elimination of Salgado Zenha), Almeida Santos' position has weakened.

A clearcut example of this was his participation in the recent negotiations among the partners of the coalition. While his position as the No 2 man entitled him to lead the Socialist group, it did not prevent him from making a poor showing: negotiating under the orders of Mario Soares and the messages from Jaime Gama, having to defend what had already been chosen and to explain what had already been signed, Almeida Santos has given increasingly less the notion of being No 2; and appears to be more of an errand boy for the leader.

What remains to him of his prestige and his position in the government does not, of itself, seem sufficient to give him the victory. He will never be the man of the plan or the option; he will attempt to be the one of last resort.

Jaime Gama: While Almeida Santos' career has been declining, that of Jaime Gama has been fluctuating. Upon coming to power, he easily won over Rui Mateus in the race for the Necessidades position and has been preparing to enjoy a prestigious place, which will enable him to fit comfortably in the government without suffering the vicissitudes of the minister of state and the dismissal of Vitor Constancio.

But, to his misfortune, Portuguese foreign policy has been delineated everywhere except in Necessities: the president of the republic overstepped him in Africa; the prime minister, in Latin America and the Middle East; the finance minister is heading the negotiations with the EEC; and even the vice prime minister usurped his contacts with China. We must admit that there are but few parts of the globe left in which our foreign affairs minister can exercise his precocious talent.

However, while his performance as minister may not have had the brilliance that he would have desired, it has not jeopardized him either.

In the recent negotiations with PDS, his shadow was always present, because of the skillful way in which he managed to take positions: At first, he upheld the Socialists' position with undeniable clarity; and later, he confined himself to pointing out what ran counter to that position in the negotiations.

Hence, he is in a good position and his chances appear to be better than those of Almeida Santos; and all the more so because, unlike the latter and Vitor Constancia, he may perhaps be seeking control of the party first, and the leadership of the government only later.

Vitor Constancio: Mario Soares' favorite. He was on the side opposite that of the leader on the issue of the former Secretariat, but he has had the good sense to refuse to be an alternate.

Enjoying a great reputation as an economist, and regarded as the architect of the 1977 financial recovery, Constancio holds an important position and his promotion to governor of the Bank of Portugal seems to be already assured.

He wisely refused the finance post in this government, but he has recently been summoned to high-level meetings to debate the economic policy; which only goes to show the esteem that Soares has for his former minister.

Very popular within PS, he has also been careful to unconditionally support a Soares candidacy for Belem (because while it would be inevitable for Almeida Santos and Jaime Gama to do so, nothing forced Constancio into this).

The only sign consists of the doubts regarding his capacity for political leadership. But not even this prevents Vitor Constancio, at present, from being the best man assigned to succeed Mario Soares.

2909

CSO: 3542/85

POLITICAL

SPAIN

## OVERVIEW OF GOVERNMENT'S 2-YEAR TRACK RECORD

### Unemployment Still Big Problem

Madrid EL PAIS in Spanish 2 Dec 84 p 19

[Article by Carlos Gomez]

[Text] Madrid-- The reduction and control of inflation, the strong showing by exports, and the growth in the GDP [Gross Domestic Product] are the top three economic successes of the socialist government during its first 2 years in office. But the other side of the coin in the socialist government's performance shows, among other things, a continuing rise in unemployment, negative trends in investment and in private consumption, a freeze in the reform of the financial system, and a succession of doubts and delays in the industrial reconversion and reindustrialization policies.

Five concrete deeds--the expropriation of RUMASA, the nationalization of the high voltage network, the start of operations to break up the CAMPSA [Leasing Company of the Petroleum Monopoly, Inc] monopoly, the establishment of the 40-hour workweek, and the signing of the AES [Economic and Social Agreements]--complete the array of major accomplishments effected during 1983 and 1984.

Employment, described as "the top-priority objective of the socialists' campaign platform," is, with 2 years' hindsight, the biggest failure of the government's economic policy. Not only has the socialist government already publicly given up on its plan to create 800,000 new jobs, which it promised in its election campaign, but the unemployment figures have risen from 17.06 percent of Spain's active population in December 1982 to 20.54 percent in September 1984. According to the National Statistics Institute, this means another half million people are out of work. When the socialists were elected, there were 2,234,600 people out of work, and today--these figures are from the third quarter of 1984--there are 2,710,400 people unemployed.

The decline in investment, which has continued steadily since 1975--with the exception of 1980--is the second negative element of the socialists' 2 years in office. According to business estimates, this year may end with investment down 22 percent from what it was in 1974, measured in constant pesetas. Miguel Boyer's [minister of the economy and finance] staff has not been able to break this serious trend toward underinvestment.

Private consumption declined from 0.6 percent in 1982 to 0.0 percent in 1984, according to official forecasts, and public consumption during the same period dropped from 6.2 percent to 2 percent.

The major success of the socialists' economic policy, a gain consolidated during the past fiscal year, was in the foreign sector. In 1983 there was a deficit in the balance of current operations of \$2.533 billion, but this fiscal year a surplus of \$1.6 billion is expected. This significant improvement was due to a strong upturn in exports and a substantial decline in imports. The deficit in the balance of trade was reduced last year. From January to September 1983 it was \$6.661 billion; during the same period in 1984, it was \$3.476 billion.

Another important achievement by the government, although this year it has not been able to meet its initial forecasts, came in the campaign against inflation. The socialists came into office with the inflation rate at 14 percent; in 2 years it has been cut to 9 percent, according to forecasts for the end of this fiscal year.

Essentially because of the foreign sector, the Spanish economy grew by 2.2 percent last year, and 2.5 percent in this fiscal year, compared with a 1.2 percent growth rate in 1982.

The harsh adjustment policy has improved some imbalances in the economy, but it has not been able to contain the major losses sustained by public enterprises. The industrial reorganization, which has produced an ongoing atmosphere of social conflict in much of Spain over the past 2 years, has barely progressed at all. Only the leading firm of Altos Hornos del Mediterraneo has been closed to date, and the culmination of the shipyard re-conversion plan is announced as forthcoming soon.

The expropriation of RUMASA has cost us, the taxpayers, 430 billion pesetas, and for 1985 the government has worked out a difficult social agreement between management and the UGT



[General Union of Workers], with a commitment to maintain the purchasing power of wages, to make the labor market more flexible, and to put a freeze on tax pressures.

An excellent harvest and the healthy state of Spain's tourism industry, combined with a strong influx of foreign industrial investments, complete the internal economic picture for this 2-year period. The negotiations for Spain's entry in the EEC have made some noteworthy advances, although there is still disagreement remaining on issues such as agriculture (wine and olive oil) and fishing.

#### Mixed Diplomatic Results

Madrid EL PAIS in Spanish 2 Dec 84 p 19

[Article by Felix Bayon]

[Text] Madrid-- The midpoint of the socialist government's term in office has arrived, with one of the three key hinges--Europe--which Felipe Gonzalez set for his foreign policy not yet functioning smoothly. Another vital area--the Arab world--will depend on the results of the promised exchange of ambassadors with Israel, and the search for equilibrium in the Maghreb; while the third--Latin America--seems to be proceeding without problems, with cooperation programs increasing, in which third countries have also been invited to take part.

The future of Spain's diplomacy, which has suffered from budget cuts and which lacks a solid infrastructure, still depends on two laws with a lengthy gestation period. One of them will serve as a definition, and the other as a tool: the Foreign Service Law and the International Cooperation Law.

The end of the first half of the socialist legislature coincided with something that a high-level official in Spain's ministry of foreign affairs described as "almost a surprise": a thaw in the impasse on Gibraltar and the British agreement to discuss the sovereignty of the Penon.

The European "hinge" does not depend on the definitive date of Spain's entry in the EEC, but rather on Spain's position on western security. After almost 2 years of enigmatic statements, in his latest debate with the nation Felipe Gonzalez made known his "Ten Commandments" for consensus, repeating the promise to hold a referendum on NATO, setting a date for it, and making public his desires to stay in the Atlantic Alliance--but without participating in its military structure--and to reduce the U.S. military presence in Spain.

While still awaiting a consensus, in Spanish political and diplomatic circles the idea that the government might yield on one of its bargaining points--no military integration--in exchange for holding on to the other--a reduction in the U.S. military forces in Spain--is seen as a possibility.

Before the end of the legislature, another campaign promise will have to be kept, in addition to the one on the referendum: the establishment of diplomatic relations with Israel. The arrival of the PSOE [Spanish Socialist Workers Party] in office has brought Madrid and Tel Aviv closer together than they have ever been since the Jewish state has existed.

For almost 2 years now, airlines have been operating between the two capitals; visits have been exchanged on parliamentary, municipal, technical, and autonomous community levels; and Israeli representatives to the Madrid central headquarters of the World Tourism Organization have for the first time held frequent meetings with their Spanish diplomatic colleagues in the ministry of foreign affairs.

The date for the exchange of ambassadors with Israel has created certain unknowns concerning the immediate future of Spain's relations with the Arab world, because of the possible "misunderstandings" and "suspicions" which this might arouse.

In relation to the part of the Arab world that is closest to Spain, the arrival of the socialists in office has had some effects contrary to what might have been expected in terms of its relations with the Maghreb: there has been a definite improvement in relations with Morocco--sprinkled with some isolated fishing incidents--while the "ice has still not been broken" with Algeria.

Though during its years as the opposition the PSOE maintained "fraternal ties" with the FLN [National Liberation Front], the sole Algerian party, the change in the Spanish socialists' policy on the Sahara, and the nonresolution of the dispute over gas have prevented any talks at top governmental levels between Madrid and Algiers.

From the socialists' 2 years in office, they can now count the following among their diplomatic assets: closer ties with France--with some headline-making effects in antiterrorist cooperation--brought about through ministerial working sessions held twice a year, and the "happy ending" of the extremely long Madrid Conference on European Security and Cooperation, after the acceptance of a compromise formula proposed by Fernando Moran.

## Flexible Policy on Terrorism

Madrid EL PAIS in Spanish 2 Dec 84 p 19

[Article by F. Orgambides]

[Text] Madrid-- During its 2 years in office, the socialist government has applied a differing policy in relation to terrorism: repressing on several fronts those organizations dedicated to violence, and being flexible and forgiving to former terrorists who repudiate such organizations. This is the framework for its strategy employed in dealing with the ETA [Basque Fatherland and Liberty Group]. It has offered to negotiate a truce with the ETA in exchange for the reincorporation of its members into society and the turning in of its weapons.

Nonetheless, even though some of its leaders and grassroots members are somewhat inclined to take part in a dialogue, the ETA is still holding fast to its principles, and does not want any negotiation other than negotiations on the KAS [expansion unknown] alternative. In the meantime, its terrorism continues. This began in relation to the socialist government even before the socialists had taken office, with the Madrid assassination in October 1982 of the then head of the Brunete Armored Division no 1, Maj Gen Victor Lago Roman.

Since then, the ETA has been active in the three Basque provinces and in Navarre, with the exception of two attacks in Madrid, both directed against high-level military officers: one claimed the life of the former captain general of Madrid, Guillermo Quintana, and the other seriously wounded the army's inspector general, Luis Roson. The two attacks were perpetrated in January and November 1984, respectively.

Nonetheless, the ETA's freedom of movement during these 2 years under the socialist government has been greatly impeded. The Civil Guard and the police in the Basque provinces and in Navarre have made some key arrests, such as that of the freed Lorenzo Zabarte Arregui. Another major area has been the political shift of the French government on terrorism in Spain. This has led to the first extraditions and deportations. In 1984 five ETA members were extradited to Spain: two by Belgian justice, and three by the French courts. There have been 28 ETA members deported to Latin American and African countries. One of these persons has already returned to Spain, under cover of the re-integration program.

Another important factor, one which has spread great confusion within the ETA, has been the appearance of the GAL [Antiterrorist Liberation Groups], a criminal organization of mercenaries. In the past year the GAL has assassinated nine noted ETA members in French territory. Among those assassinated was Mikel Goikoetxea Elorriaga, "Txapela," one of the ETA members most wanted by the Spanish police.

With the GAL on one side and the French police on the other, the ETA has been forced to fall back. The ministries of the interior of both Spain and France met on two occasions during 1984 to plan and study joint action to deal with the ETA. The minister Barrionuevo first met in Madrid with his counterpart, Gaston Defferre, and later, with a replacement for Defferre, Pierre Joxe. For the first time Spain and France agreed that they had to put an end to the ETA terrorism, and in a joint statement, both governments pledged to work together to do so.

7679

CSO: 3548/55

POLITICAL

SWEDEN

CONSERVATIVE PAPER ON POLLS SHOWING WORKERS DESERTING SDP

Stockholm SVENSKA DAGBLADET in Swedish 16 Dec 84 p 2

[Editorial: "Voters' Parties--and Choices"]

[Text] Is anyone surprised at the earlier report from SIFO [Swedish Institute for Public Opinion Polls] and now the latest report from the SCB [Central Bureau of Statistics] showing that former supporters of the Social Democratic Party [SDP]--and especially young skilled workers and homeowners--are deserting their party?

Yes, there are many who are surprised. Following the publication on Thursday of the SCB's poll of voter sympathies in November 1984, ARBETARBLADET (Social Democratic) of Gavle, for example, wrote: "This is a totally incredible development that one would not believe possible were it not for figures confirming the trend." "The facts remain," writes AFTONBLADET (Social Democratic), and it continues: "No matter how good a policy may be, it is not enough unless one has rooted it firmly in the people who need to be familiar with it."

Those two comments on the SDP's decline, which is noted not only in the SCB's figures but also in all the other public opinion polls in 1984, represent two very interesting basic approaches to explaining the results. But both show that the commentators have not understood the reason for what has happened.

ARBETARBLADET is floored because of its notion that so-called class affiliation (the idea that those usually called workers always vote for socialist parties) is what determines one's choice of a party. But it does not take an expert in election analysis or public opinion polls to see that that traditional bond is nowhere near as strong as it used to be.

Because what are today's Social Democrats offering? Well, besides perpetually new and higher taxes, what they are offering is an increasingly politicized and regimented society. It is the politicians--Social Democratic politicians--who are supposed to make more and more decisions concerning everything and everybody. All the fine talk about greater freedom for the individual has remained just that--fine talk. What can the Social Democrats point to specifically in that important area as an indication of the society they want to build?



It is certainly characteristic that Olof Palme, when asked in an interview (in EXPRESSEN, 25 November) if he could name any specific measures adopted to reduce bureaucracy, was finally forced to turn to Klas Eklund, who works in the Cabinet Office, and ask:

"Klas, can you give an example of this damned stream of debureaucratizing that we are constantly involved in?"

What ARBETERBLADET has not realized--or rather, what it does not want to realize--is that reality is no longer the way Olof Palme and other leading Social Democrats describe it. There is certainly widespread support for social security and welfare--in the area of medical care, for example--but there is also, especially among members of the LO [Swedish Federation of Trade Unions], a yearning for freedom: a desire for others--specifically, politicians--to meddle less in what the individual does with his money, free time, and so on.

So developments are far from being as incredible as ARBETARBLADET seems to believe. Rather, they are plausible and to be expected.

AFTONBLADET is living with the notion that the problem lies in the marketing of the Social Democratic government's policy, not in the policy itself. If AFTONBLADET is correct, the SDP's problems are relatively simple: the only thing needed is a proper mass enlightenment campaign--and very probably one paid for by the taxpayers in some form, right?

But AFTONBLADET is also completely wrong. The problem does not lie in the marketing of the SDP's policy: the policy itself does not hold up. (And one can even turn the argument around and say that if the voters really understood what the Social Democratic government's policy was leading to in the long run, the government party would have far fewer supporters than it does. Maybe the Social Democrats should be thankful that the voters are so poorly informed concerning Social Democratic intentions!)

Parties get the support they deserve in elections and in public opinion polls, with all the good and bad points of the latter. If a party--for example, the SDP--pursues a policy leading away from the policy that more and more voters want the party to pursue, it is not hard to predict how things will go for that party.

The matter is no more complicated than that.

11798

CS0: 3650/106



MILITARY

FEDERAL REPUBLIC OF GERMANY

NAVY CHIEF DISCUSSES IMPACT OF DEFENSE BUDGET PLANNING

Bonn WEHRTECHNIK in German Dec 84 pp 38-42

[Interview with Navy Chief of Staff VAdml Ansgar Bethge; interview conducted by WEHRTECHNIK editor Wolfgang Flume, date and place not indicated: "The Navy Is in a Constant Process of Modernization"]

[Text] The comprehensive planning inventory, aimed at phasing the great armaments projects of the Bundeswehr, essentially approved the armament plans of the navy. For this reason, says Navy Chief of Staff Ansgar Bethge in the following WT interview, it was not necessary to accelerate the planned acquisition of seven Type 124 class frigates, since another major weapon program of the Bundeswehr was pushed back somewhat. The admiral is pleased that living and working conditions aboard the new ships could be improved. He expresses concern about the expansion of the Soviet fleet, especially about the number of modern "merchant" ships of the USSR, built according to military specifications and capable of serving as troop and armor carriers.

[Question] For you, too, this year's work was marked by the comprehensive planning inventory requested by the minister, Dr Woerner, and by the first-ever planning survey for the next 15 years. In the forefront of public interest have been projects such as the Fighter 90, new battle tanks, command and communication systems--almost nothing was said about naval planning. Is this a good sign, or has the importance of the navy in the FRG defense concept declined?

[Answer] The importance of the navy within the FRG defense concept has not declined in any way. This is indicated by the fact that funds for naval weapon systems have been approved within the justifiable limits.

In this connection I would like to point out what our minister said in the government report: "The navy demonstrates a balance between platform and periphery." And a ministry publication says: "In the case of the navy it is important to maintain the balance between platforms--ships and airplanes--and the periphery, especially weapons and munitions." This means that the navy has considered itself a whole system and has planned accordingly. It is

thus not necessary to incorporate a need for catching up into planning. Naval planning can thus be conducted according to the concepts developed by the navy. Old weapon systems are replaced by new ones, partly through new technical solutions. The navy is in a constant process of modernization that has lasted for years and that will continue in the new planning period.

[Question] The comprehensive planning inventory and the new Bundeswehr plan forced all branches of the service to cut here and there, since all wishes could not be met by the allocated funds. To what extent are you satisfied with the course of the survey, and what effect will it have for the important acquisition programs planned for the 90s, such as the 124 frigate, the 211 U-boat, the 332 minehunter, just to mention a few?

[Answer] The comprehensive planning survey affirmed the naval program. The navy planned in a way that major projects could be distributed chronologically. The supreme aim of the federal government of tightening state finances naturally had some effect on the budget of plan 14. This means that we have to plan according to a relatively low financial allocation and must do so in spite of a cost increase rate in weapon systems that exceeds the general cost increase rates in the national economy. This planning obligation, however, concerns not the navy alone, but also the other two services.

The projects that you mentioned, the Type 124 frigate; the Type 211 U-boat, and the Type 332 minehunter, will continue according to plan. A pushing and stretching of these projects is out of the question and was not even considered.

In summary, I can say that I am satisfied with the results of the survey, considering the environmental factors, the technical and personnel resources, and most of all, the planning funds allocated to the Bundeswehr. I could naturally have used higher allocations to speed up replacement of old weapon systems, since they are very expensive to maintain.

[Question] A very interesting project from the international standpoint is the NATO 90 frigate, or, to use German terminology, the Type 124 frigate. It is said that you are at the moment investigating whether the acquisition of the seven frigates can be advanced so that there would be no conflict with other great acquisition programs. How far along are you with these deliberations, and does this not mean that the NATO program has to be accelerated, or perhaps it will be even imperiled when we need the ships sooner? And this must also be considered against the background that we need an air defense frigate, not a sub-chasing frigate like most of the other NATO nations?

[Answer] First, we must differentiate between the NATO frigate 90 and the Type 124 frigate projects. We have established our own national tactical norms for the Type 124 frigate so as to know what requirements will have to be submitted to the NATO working group. The idea to accelerate the Type 124 frigate program will not be pursued, since another major Bundeswehr project...

[Question] The fighter 90...?

[Answer] ...had to be pushed back a little, and we were able to stay within our plans. The inventory was designed to divide major projects; this has been successfully done. Our aim is to receive the seven frigates between 1993 and 1996. First we want to await a feasibility study, perhaps the results of the concept phase, and then a further decision has to be made.

NATO frigate means above all standardization and interoperability in as many areas as possible. It does not mean that 50-60 ships will be built in one yard. The joint work means that the same blueprints will be used, the same connections, the same subsystems, ammunition, and fuels. We do not aim for an identical ship, but for a compatible ship. We, like other nations, use the development of the configuration to save money.

[Question] This year the navy put into service the sixth Type 122 frigate and the last Type 143A speed boat, and thus took an important step toward modernization of the fleet. Unfortunately, these ships and boats do not yet have the RAM air defense system. Thus the question--don't our units have a considerable lack of air defense capability?

[Answer] This is partly true. At this time we have a shortage of air defense capability, measured against the growing capabilities of the other side. The development of the RAM system jointly with the Americans and Danes has for technical and also administrative difficulties lasted considerably longer than originally planned, and has thus also become more expensive. The system will be operationally tested next year by the American navy. The latest tests, by the way, have been very successful. The Americans are very anxious to introduce this system in the American navy as soon as possible. We estimate that beginning in 1987 we can equip the 20 Type 143 speedboats, the six Type 143 frigates, and the three Type 103 destroyers with the system.

[Question] This year the first improved-capability Type 103B destroyer, the "Moelders," was again put in service. The program management lay exclusively with the navy and the naval arsenal--to what extent can this serve as an indication for future capability improvements or even new construction?

[Answer] I can state with great satisfaction that the agency management by the defense technical agency and the navy has been successful. The destroyer "Moelders" was improved within the planned time and at the estimate costs and has in the meantime successfully concluded her first missions in American waters. Whether this example can be transferred to other weapon systems and modernizations must be determined on a case-by-case basis. The question can thus not be answered in a general way. For example, for the preservation of the Type 206 U-boats' fighting ability we have again selected an industrial general contractor, since it has the best and most extensive experiences. For the Type 103 modernization we had very experienced personnel in house, some of whom already had put the ships into operation in America, and for this reason there were promising prospects. Moreover, the U.S. Navy supplied many instruments, and their experiences were utilized.

[Question] The introduction of new ships and boats and the keeping in service of older classes has considerably increased the training requirements of the fleet--I have heard that the number of training courses has doubled in recent years. Can this training requirement still be justified and isn't a reduction possible only through further standardization of equipment components?

[Answer] It is certainly true that the navy must carry out an extensive training program in order to keep the ever more complicated floating and flying weapon systems operable. The number of training courses, however, has not increased to the extent mentioned by you, but only by some 18 percent over the five years ending in 1983. Also, a number of older units have been retired, and naturally the training courses were obviated.

Through consolidation and elimination we will be able to reduce training courses by about ten percent by 1985. The number of courses, by the way, is not all that meaningful. Of decisive importance is how much time a soldier spends in training assignment to a unit. It would be in our interest if the stay on board could be extended and the training period on shore could be reduced. To achieve that we are attempting to translate the high training requirements not necessarily into longer courses. Instead, we attempt to achieve a reduction in course lengths in spite of increased requirements through better training, use of simulators and programmed training. I am aware that the need for greater standardization is of particular importance. For this reason we are attempting to achieve a broader standardization through equipment families that can be used throughout the navy; this would also mean fewer training courses.

[Question] The person is most important--we have often heard that especially with reference to the technical Bundeswehr. Now, the navy is a very technically oriented service. Does not much of what is called human leadership gradually fade into the background, even when there is no intention of doing this?

[Answer] I must admit that there is that danger. On the other hand, modern technology must be used to make life on board and work with weapon systems more pleasant and easier. I believe that we have succeeded in the case of modern weapons systems. With considerable effort we have been able to consider certain ergonomic demands. But things are not everywhere what they should be. Also, the soldiers did not always realize the improvements, only in comparison with old systems did they become obvious to them.

Thus, I cannot affirm the doubt that you expressed, to the contrary, I believe that modern technology--if used correctly--helps the human, since, for example, better construction makes maintenance and repair work easier. Our concepts of separating living and sleeping on the Type 124 frigate has been adopted, even though older soldiers were initially very skeptical. The concept of crew housing differs from country to country, this might thus be a point where all nations will not agree in the design of the NATO frigate 90.



[Question] The Bundestag deputy and naval expert, Dr Oldenstaedt wrote in an article in the November issue of WEHRTECHNIK to the effect that the threat on the North flank has been recognized, but that countermeasures had not yet been taken. Do you agree with this evaluation?

[Answer] Given the considerably increased threat on the Northern flank and measuring it against the capabilities of the European navies, one can indeed conclude that more should be done in the field of naval armaments. But every navy can move only within the framework given to it by politics. And I believe that in the case of the German navy--but also of other navies--I can state that this framework includes the correct weapon systems, and that we--referring now to the German navy--will do a lot in the North Sea components in the coming years. The sixth Type 122 frigate has now become operational. The seven Type 124 frigates are planned replacements for the three KOLN class frigates and the four HAMBURG class destroyers, we are reequipping the ATLANTIC--even though with some difficulties--and will obtain greater combat power. We are planning for U-boats that can be used also in the North Sea, and, it must not be overlooked that we along with the NATO headquarters are developing joint operational plans for the Northern flank that will allow for a considerably more effective use of the available potential than has been the case. Taking these developments together leads to the conclusion that we are making good use of the resources available within the financial limits. That we could do more if there were more money is also true.

[Question] You just mentioned that talks are underway with the Allies to make better use of available means. What specifically does that mean?

[Answer] We, like other European allies, have not assigned our ships to SACLANT. How the available potential can be used in a conflict for superior aims, and how commanders in various waters are to fulfill their missions are considerations discussed at this time between nations. It goes without saying that the naval commander having the best grasp of the situation must be allocated forces sufficient to fulfill his defensive mission. For this reason a flexible operational planning is required. The rigid assignment by command areas can no longer be justified in naval war in my opinion.

[Question] The German navy is carefully following the activities of the navies of the Warsaw Pact. What developments have these navies undergone in recent years, are there areas that are especially noteworthy?

[Answer] Generally, it should be noted in the case of the Warsaw Pact that their navies have almost closed the gap that the Americans but also other allies had in the electronic field. However, it should be noted that certain developments in the American navy again increase the gap for the Soviet navy. In the case of projectiles, especially of ship-to-ship missiles, the Soviets still seem to be superior to Western weapon systems. The Soviet forces have apparently succeeded in increasing the cruising length and endurance of their units, and improving flexibility in command decisions. In the Baltic Sea, our main operational area, a gradual shift to faster and better armed units for coastal warfare can be observed, including a shift to hydroplanes. The attack squadrons are equipped with missiles of greater range. Abilities for antisubmarine warfare have been increased through the introduction of improved subhunting systems, including helicopters as flying



submarine chasers. Within a broader perspective the operational employment of five very different "squadrons" in the Atlantic, Mediterranean, the Indian Ocean, the South China Sea and in the Pacific must be noted. The employment of these permanent forces corresponds to the political aims of the Soviet leadership. In sum a qualitative, less so a quantitative, improvement of Soviet naval forces can be seen. The Soviets are apparently attempting to develop a fleet that is structured like that of the Americans.

[Question] As early as last year I questioned you about the increase of the Soviet merchant fleet and the decline of our merchant fleet. This year you have repeatedly talked on this topic. Has the purely strategical threat continued with the further expansion of the Soviet merchant fleet as an auxiliary instrument of the Red Fleet in a crisis?

[Answer] The Soviets are continually pursuing their plans to improve the merchant fleet. Their shipbuilding program gives clear indications of a strategic purpose, although I would not exclusively equate strategic with military-strategic. For the Soviet strategy means the winning of influence in peacetime on trading routes and international traffic systems. They are increasingly penetrating the routes of Western merchant fleets. Recently they are even winning parts of the freight traffic between Southern Germany and Eastern Africa for their Danube and ocean shippers. Thus they are denying cargos to the German shipping firms and the North Sea ports. The ships are--and here is their military-strategic importance--mostly built according to military construction norms. Tanks can be loaded on their decks, the machine rooms meet military ship safety regulations, ship steering and telecommunication systems meet military requirements, etc. From that point of view it is true that the Soviet merchant fleet represents a direct support of the Soviet navy, both for peacetime missions and actions in war. However, only in the most favorable circumstances could the Soviet surface forces operate in distant seas, since the NATO forces, especially the American navy, still have superiority over the Soviet fleet. Things are different in a European scenario and in estimating the submarine threat.

[Question] Late next March you will leave active service. Looking back, what has been the most notable event or experience in your career? After you and your equally war-experienced colleagues leave, will there be a differently shaped navy?

[Answer] First, there will not be a differently shaped navy. As I leave in March after five years as commander, I can of course look back on a great number of experiences and events. I could not tell you at this moment which were especially notable. However, I would especially point to one development--it is the discussion over the last years concerning re-equipment and defense contribution. I can state with satisfaction that the understanding of a policy of deterrence (to include nuclear weapons) has considerably increased. In view of wars in many parts of the world the young men know how to contribute to its maintenance. Our young officer candidates, NCO candidates and draftees exhibit a considerably more positive attitude toward the service and are able to evaluate our political situation within the confrontation between East and West better than was the case a few years ago. It should gratify us, officers with wartime service, if through communication of our experiences and our insights we have contributed to this development.

MILITARY

FRANCE

DETAILS OF ACTIVE, RESERVE GROUND FORCES REORGANIZATION

Paris LE MONDE in French 19 Dec 84 p 12

[Article by Jacques Isnard: "Army Reorganization"]

[Text] The French Army is being thoroughly restructured for the sixth time in less than 40 years. This reorganization will be completed in 1985 when the Rapid Action Force (FAR), its principal innovation, is fully deployed.

As was the case in 1946 after World War II, in 1956 after the war in Indochina, in 1962 after the operations in Algeria, in 1966 with the nuclear deterrent, and after 1978 with the "Lagarde reforms," named after its former chief of staff, the French Army is once again being rather radically updated, this time pursuant to the provisions and guidelines of the 1984-1988 military programming law [5-year defense plan] passed by Parliament.

In actual practice, this updating means reorganization of 150 units in 1984 and 77 others in 1985 at a cost of approximately 112 million francs. Such reform also exacts its price in human terms with, for example, transfers from one post to another, a 7-percent reduction in personnel between now and 1988, and the deactivation of regiments, a measure more or less offset by the activation of other regiments within a different organizational framework.

In the opinion of some officers and NCO's "the army is being shaken by Brownian movements with all that this implies of bitterness, wrenching, change of habits, but also aspirations after new horizons."

The current reorganization, as described below, ultimately calls for: a "large" [brigade level or higher] tactical nuclear unit, or "prestrategic" nuclear unit, as Defense Minister Charles Hernu prefers to call it; an armored and mechanized field force of 10 divisions; a Rapid Action Force for deployment in Europe or overseas; and territorial units assigned the task of protecting keypoints in coordination with the gendarmerie.

While the army's resources are not being appreciably increased as a result of the austerity policy imposed on the defense budget, and indeed on all government expenditures, those resources are, however, being organized and distributed differently.

Defense Minister Hernu has on several occasions denied having weakened the army's conventional posture when he replaced the relatively static field forces stationed on both sides of the Rhine with a First Army - FAR combination he deems to be more mobile, more powerful, and more versatile. He has explained that "after the reorganization, the army, with all its forces combined, will still retain the capability of coping with crisis situations to neither a greater nor lesser extent than in the past. What has changed, however, is that with the creation of the FAR, the reorganized ground forces, supported by the air force and navy, now give the government the capability, which it did not heretofore have, of employing a military instrument which can influence a crisis before it degenerates, and also the capability of rapidly changing the army's disposition of forces in the event of a surprise attack or unforeseen threat."

The present army chief of staff, General Rene Imbot, said nothing different when, upon discussing this FAR capability of being rapidly deployed outside the First Army area on a large-scale operation, he stated: "At the cost of a slight reduction in manpower, the reorganization prepares the army for its end-of-century role by making it a more compact and more mobile force equipped with modern and competitive materiel."

In contrast, the PCF [French Communist Party] has expressed misgivings about the consequences of such a reform, particularly about the trend toward increased "professionalization" of army personnel--62 percent of whom are draftees at the present time--and about the FAR's possible integration into the NATO command structure.

Neither the RPR [Rally for the Republic] nor the UDF [Union for French Democracy] are fundamentally opposed to formation of the FAR, but both of these opposition parties contend that the plan for a new army has more disadvantages than advantages and creates more problems than it solves. Reorganization of the First Army will mean a drastic reduction in its capabilities. And replacement of the Pluton tactical nuclear missile by a Hades missile system dissociated from the conventional forces, will have the effect of lessening the army's participation in the national dialectic on deterrence.

#### Pluton Missiles Under Chief of State's Control

The army began deploying its first tactical nuclear weapons in 1974. Some 4 years later, it had five artillery regiments armed with Pluton missiles.

These five regiments are stationed in Fougereais (Territory of Belfort), Oberhoffen-sur-Moder (Bas-Rhin), Suippes (Marne), Mailly-le-Camp (Aube), and Laon-Couvron (Aisne). Each Pluton regiment has about 1,000 men and 300 vehicles, including its missile transporter-launchers. In addition to a headquarters and service battery, plus signal and data processing personnel and equipment, each regiment has three firing batteries each equipped with two reloadable launchers. All five regiments are under direct operational control of the chief of state.

The Pluton missile is mounted on an AMX-30 tank chassis. It has a range of 20 to 120 kilometers and a circular error probable which varies from 150 to 300 meters with range. Its warhead would reportedly burst in the air some 300 to 400 meters above the target. This warhead has a variable nuclear yield of 10 or 25 kilotons (the Hiroshima bomb had a yield of 18-20 kilotons). The yield can be changed according to whether the target is relatively close to friendly troops or is hardened.

Each Pluton regiment can deploy its six launchers over a 50-60 kilometer front while continuing to receive orders from a command post positioned 80 kilometers distant. The missile's warhead can be disarmed in flight if the foreseeable circular error is six times greater than the circular error calculated at launch. Two-thirds of the warheads in the Pluton stockpile are 10-kiloton weapons; the remaining third have a 25-kiloton yield.

The present defense minister, Charles Hernu, has described the use of tactical nuclear weapons as a final warning given an aggressor. "Employment of these weapons," he explained, "must first shock the enemy and so disorganize his disposition of forces as to compel him to reflect. The objective is to make sure he does not misjudge the gravity of the situation he has created or miscalculate our determination to resort to strategic retaliatory strikes."

In 1992, the Pluton regiments are to be replaced by regiments armed with the Hades missile now being developed. The 400-kilometer Hades will carry 80 to 150-kiloton warheads. It will be mounted on dual launchers. All Hades regiments will be grouped into a single large unit under command control of the armed forces chief of staff.

#### Helicopter-Based "Quick Punch" Force

The Rapid Action [Deployment] Force (FAR) will be fully organized in July 1985. This 47,000-man force is designed to intervene rapidly in Europe and overseas. It is made up of two new divisions currently being formed, plus three existing divisions armed mainly for antitank combat operations.

As things now stand, the FAR's major innovation remains its new 6,400-man airmobile division (DAM). This unit will eventually have a total of 200 helicopters: Gazelle helicopters armed with HOT antitank missiles, Puma tactical transport helicopters, and escort-support helicopters, the model of which is now being developed jointly with West Germany. Another FAR innovation is the constitution of a light armored division (DLB). This 7,000-man unit will be equipped entirely with modern high-speed wheeled armored vehicles that will operate with the helicopters. These vehicles include the AMX-10RC [reconnaissance vehicle armed with 105-mm gun] and the VAB [forward-area armored vehicle] armed with Milan antitank missiles.

Defense Minister Charles Hernu considers the FAR to be "a military instrument capable of influencing a crisis before it degenerates into a conflict," in that it is a "quick punch" force that can be projected on short notice outside the First Army area and thus influence the course of the battle.



### Three Corps on Both Sides of the Rhine

When fully reorganized, the First Army, with headquarters in Strasbourg, will have a total of 10 divisions organized into three corps stationed on both sides of the Rhine. The 10 divisions include: six 9,000-man armored divisions, some equipped with 174 AMX-30 tanks, others with 190 AMX-30 tanks; two 7,000-man infantry divisions; and two 7,400-man light armored divisions equipped with 72 AMX-10 RC armored cars, and made up of equipment and personnel--staff and students--from army service schools.

The personnel strength of the three corps depicted on the sketch map of France below can vary from one corp to another. I Corps, with headquarters in Metz, has about 40,000 men. II Corps, with headquarters in Baden-Baden, FRG, has approximately 42,000 men. III Corps, headquartered in Lille, has about 37,000 men. When the strength of various other units stationed in the FRG--including the Berlin garrison troops--are added to the II Corps strength, this brings the total manpower of French forces in Germany to 50,000.

Army general staff officers in Paris explain that these conventional forces are an essential complement to the nuclear deterrent forces inasmuch as they make it possible to escape the totally unrealistic dilemma of "all or nothing" in defending our national territory's integrity against any armed aggression and, should the occasion arise, in taking any external action to protect France's vital interests.

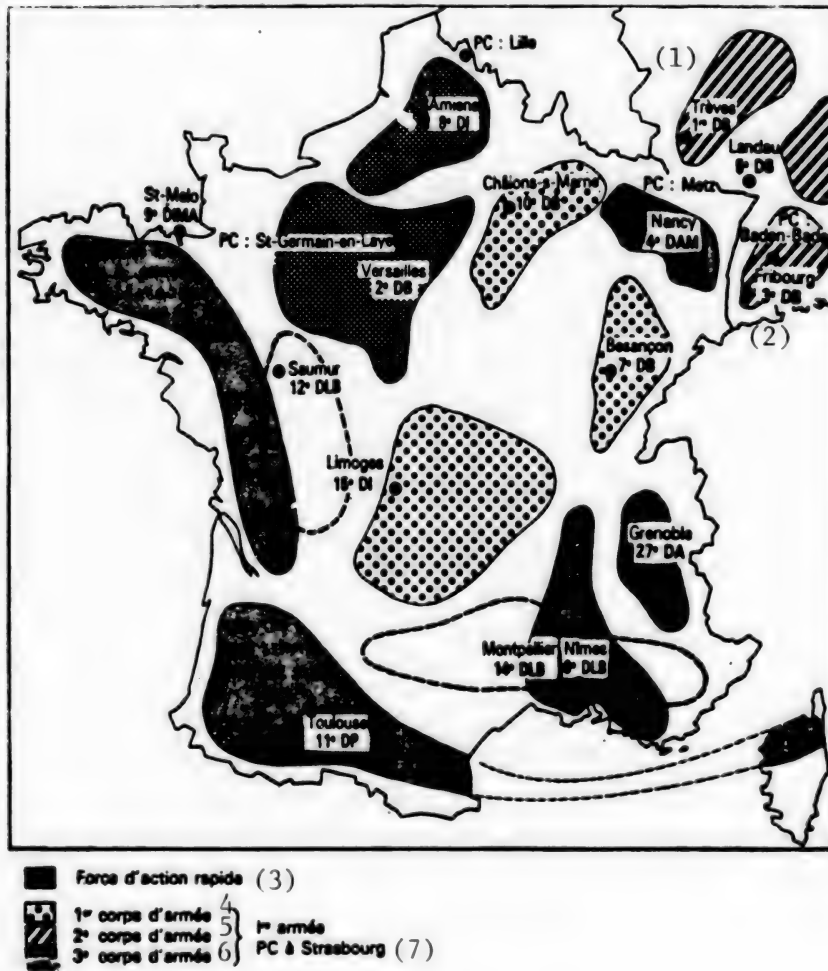
As for Charles Hernu, he believes that, despite the current reorganization, the missions of this armored and mechanized force remain unchanged from what they formerly were. "This force's role is still of prime importance," he said, "whether it be in furnishing second echelon forces to the Atlantic Alliance or in launching a counteroffensive forward of our borders."

### Territorial Units Composed of Reservists

The territorial forces are mobilization forces. When the reserves are added to the 15 regular divisions of the First Army and the FAR on mobilization, these units are roughly doubled in size. Territorial defense forces are designed to counter any enemy infiltrated, landed, or airdropped into France from the outside. This defense task would be divided between the army and the gendarmerie.

If threats at our borders during an international crisis should demand the army's total attention, it would then be up to the gendarmerie to protect certain key points like EDF [French Electric Power Company] nuclear and steam power plants, radio-television relay transmitters, strategic industrial plants, electric transformer stations, etc. The gendarmerie would perform this task with some 14,000 reservists trained by it.

## Disposition of Army Corps and Divisions



### Key:

- |                       |                                          |
|-----------------------|------------------------------------------|
| 1. Trier              | 5. II Corps                              |
| 2. Freiburg           | 6. III Corps                             |
| 3. Rapid Action Force | 7. First Army headquarters in Strasbourg |
| 4. I Corps            |                                          |

I Corps is headquartered in Metz, II Corps in Baden-Baden, III Corps in Lille, and the Rapid Action Force (FAR) in Saint-Germain-en-Laye. DB: armored division; DIMA: marine infantry division; DI: infantry division; DP: airborne division; DA: Alpine division; DLB: light armored division; DAM: airmobile division.

For larger-scale external aggressions, the army plans to organize its territorial forces into one area brigade within each of France's six military regions, and one locally recruited combined-arms regiment within each of the country's 22 territorial military divisions. These mobilization units would consist of infantry and engineer elements plus light armored vehicles and some fire-support artillery, all manned by reservists having undergone regular periods of training.



## Periodically Replaced Overseas Forces

Army overseas forces are composed mainly of infantry elements equipped with light armored vehicles and field artillery. Their primary mission is to safeguard the integrity and security of France's overseas departments and territories; participate in operations, limited in time and space, upon the request of allied nations; and lastly, protect such key areas as logistical bases plus air and naval staging areas needed for the reception of reinforcements dispatched to protect French interests and nationals abroad. These permanent overseas forces are periodically replaced by so-called FAR "rotational" units sent directly from France.

In 1984, these overseas forces can be said to include the 5,000-man French contingent of the United Nations peacekeeping force in southern Lebanon and the 29 French cease-fire observers stationed in Beirut.

### Overseas Forces



#### Key:

1. Overseas departments and territories
2. Prepositioned forces

Troops stationed in French overseas departments and territories or "prepositioned" in foreign countries--pursuant to defense agreements in Africa--belong to the three services (army, navy, air force) and the gendarmerie. They are distinct from military cooperation personnel who are not shown on the above sketch map. It should be noted that the troop figure of 2,800 shown for New Caledonia does not reflect recent gendarmerie reinforcements sent to that island.

The "prepositioned" forces in Africa are distinct from the personnel of overseas technical military cooperation missions which in 1984 consisted of 1,005 officers and NCO's.

Army Strength in 1984: 304,817 Men and Women

	<u>Regular Army</u>			<u>Draftees</u>		
	<u>Officers</u>	<u>NCO's</u>	<u>Other enlistees</u>	<u>Officers</u>	<u>NCO's</u>	<u>Privates</u>
Total	19,483	60,847	32,456	1,915	5,556	182,760
Women included in above total	256	5,909	734	--	--	489
% of total army strength	6.39	19.96	11.24	0.63	1.82	59.96

Annual Budget of 38 Billion Francs

The army's 1984 budget of 38.371 billion francs represents approximately 27 percent of the total defense budget. These army funds were allocated as follows: 22.164 billion francs for operations and maintenance expenses (pay, maintenance of equipment and support facilities, training activities), and 16.207 billion francs for equipment outlays (research, development, production, and purchase of new armament). A more detailed breakdown of the budget reveals that pay, allowances, and social insurance contributions represented 39.9 percent of this budget, equipment 30.8 percent, operational readiness training 11.7 percent, and infrastructures 6.5 percent. The budget allocated funds for procurement of the following: 91 modernized AMX-30-B2 tanks, two Roland surface-to-air missile systems, 27 batteries of the self-propelled AUF-1 155-millimeter rapid fire gun, 225 forward area armored vehicles (VAB), 3,040 tactical vehicles, and 15 Gazelle helicopters armed with HOT antitank missiles. At the same time, the army was authorized to initiate so-called development studies of an armed escort-support helicopter, the future battle tank, a very short-range surface-to-air missile system, a multiple-rocket launcher, and a helicopter-borne surveillance radar.

8041

CSO: 3519/153

MILITARY

NORWAY

BRIEFS

PENGUIN MISSILE TESTING SET--The Defense Department has decided that the task of assisting in the test of the air-to-sea missile Penguin during the next 4-5 years in Andfjorden in Nordland will go to Andoya Artillery Range. The decision is in line with recommendations from the Defense Supply Command. The Andoya Artillery Range got the task in competition with the Narvik branch of Kongsberg Vapenfabrikk, according to information given to HARSTAD TIDENDE by Lieutenant Colonel Ivar Gjetnes of the Supply Command. During the next 4-5 years F-16 aircraft will fire a total of 24 Penguin missiles against sea targets in the test range in Andfjord. From the defense forces about 40 personnel will participate in the test firings. Four stations have been built ashore on Andoya which are part of the test program. [By NORSK TELEGRAMBYRA] [Text] [Oslo AFTENPOSTEN in Norwegian 14 Jan 85 p 5] 9287

CSO: 3639/65

MILITARY

SWEDEN

#### UK IN CAMPAIGN TO INCREASE ARMS EXPORTS TO FORCES

Stockholm SVENSKA DAGBLADET in Swedish 9 Dec 84 p 8

[Text] In the shadow of the high exchange rate for the dollar, Great Britain and Sweden are increasing their cooperation in the import and export of defense products in combination with barter deals in other areas in the two countries.

A group from the Royal Ordnance Factories in London has visited Stockholm and proposed that the Swedish Armed Forces buy Great Britain's newest tank, the Challenger, which has just been supplied to the British Army and is now undergoing trials in the FRG.

The 60-ton tank, equipped with a modern 12cm high-pressure gun, is being offered at a price of 15 million kronor per tank--about the same price as that of the better-known West German Leopard 2.

#### Breathing Space

The Challenger will soon be sold to a number of countries in the Middle East. Sweden, which will not decide until the early 1990's whether a new tank is needed, will have breathing space until then. The tank, manufactured in Leeds, has a high cross-country speed of 40 kilometers per hour and carries massive armor protection. Unlike all Swedish tracked vehicles, it can go after targets in darkness and fog thanks to modern fire control equipment.

The British Armed Forces are also offering Sweden a development of the new tracked Combat Vehicle 90, a billion-kronor deal for the 1990's. This offer, which has just been made, is well below those made by Bofors and Hagglunds.

The supreme commander of the Swedish Armed Forces and the Defense Materiel Administration are to submit one or two development alternatives to the government at the start of 1985. Alves in Coventry will be the prime developer, but Hagglunds will also be given a project so as to preserve freedom of action before series production begins.

#### Barter Deals

The British defense industry, which will be returned to private hands in 1985, is offering barter deals in Sweden for every Swedish order. This may involve

direct purchases of Swedish defense products or high technology in other sectors of industry. The FRG's MBB [Messerschmitt-Boelkow-Blohm] of Munich made an indirect purchase of 500 million kronor worth of antitank mines from the FFV [National Industries Corporation] when Swedish authorities decided in favor of the MBB's antitank helicopter 105 in a deal that was also worth about 500 million kronor.

In Great Britain, the JAS industrial group is currently cooperating with British Aerospace to develop the wing of composite material that will be produced for the JAS 39 Gripen aircraft, a deal worth a little over 200 million kronor.

The Swedish Air Force bought the Skyflash missile, used on Viggen aircraft, from Aeroscope at a cost of 500 million kronor.

SAAB [Swedish Aircraft Company] is buying 25 million kronor worth of parts from Pilkington for helicopter and aircraft gun sights. The navy has bought 6 million kronor worth of underwater sonars from the UDI in Scotland. Some of them have been placed in the sea approaches to Karlskrona.

#### Better Exchange Rate

If this cooperation continues with other industries in Great Britain, the United States will be receiving fewer orders within a few years, and Sweden will be getting a more favorable exchange rate in pounds than in dollars.

When the dollar rate rose in 1983 and 1984, the military authorities made a deliberate effort to do business in Europe and, if possible, in Sweden.

The British are also offering the Swedish Armed Forces mine clearance equipment which FMV [Defense Materiel Administration] experts say is so cheap that its reliability is questionable. The British are also competing with a new Aerospace mortar shell that finds its target using a microwave radar. The shell is being tested this winter at I19 [Norrbotten Regiment] and elsewhere in Boden.

Radar parts for the JAS aircraft and IR equipment for night combat are also being offered by Great Britain, which has obviously activated its military mission in Stockholm.

11798

CSO: 3650/106

MILITARY

SWEDEN

#### AIR FORCE PILOT DRAIN TO SAS CONTINUES

Stockholm SVENSKA DAGBLADET in Swedish 15 Dec 84 p 6

[Article by Erik Liden]

[Text] During the talks between the government, the air force, and the airline companies, 16 pilots were hired by the SAS [Scandinavian Airline System] before any kind of agreement was reached. The air force is powerless to stop the resignations by its pilots.

The talks between the SAS, LIN, and Swedair ended at the office of Minister of Defense Anders Thunborg on Friday afternoon without any agreement being reached among the participants. Not until the end of January, when Lennart Ljung, supreme commander of the Swedish Armed Forces, has analyzed pay conditions for all flight personnel in the Armed Forces, will the government quickly come up with a proposed agreement.

Minister of Defense Anders Thunborg said in a commentary: "The crucial point for me is the security requirement for good pilots who can do their job in fighter aircraft both now and in the future.

"The government has now determined that during 1985 and 1986, the air force will be able to give up only a limited number of the over 100 pilots that the airline companies intend to recruit."

In preparation for the final talks in January, the parties have agreed on the following:

1. The chief problems will be solved through voluntary agreements.
2. Pilots who are hired away from the air force in 1985 and 1986 will serve in the air force periodically under a reserve officer agreement, as is done in Switzerland.
3. Recruiting and training will be stepped up at the Institute for Commercial Pilots and in civilian flying schools.
4. The long-term solution is recruitment through the Institute for Commercial Pilots in Ljungbyhed, including an increased commitment by the airlines.



5. Pay benefits for flying instructors and flying officers who remain will include compensation for increased workloads in the future--a consequence in part of the smaller number of flight personnel.

#### No Compulsion

The coercive measures promised earlier by the minister of defense have been called off until further notice, with voluntary cooperation being stressed instead. The Swedish Association of Army, Navy, and Air Force Officers is opposed to dividing duty time between the SAS and the air force.

The association's representative, Jan Lord, says: "The situation for flying officers is becoming untenable. The load is increasing because of constant personnel turnover. What we need instead are better working conditions and higher pay. At present there is little difference in pay between qualified younger fighter pilots and building cleaners, for example--a situation that is completely incredible in other countries."

The 16 pilots that the SAS has already hired away from the air force represent about the number that Air Force Chief of Staff Sven-Olof Olsson can let go between now and 1987. That leaves the LIN and Swedair completely out in the cold.

11798

CSO: 3650/106

MILITARY

SWEDEN

BRIEFS

GAS MASKS FOR ENTIRE POPULATION--Stockholm (TT)--The civil defense organization is continuing to purchase gas masks so that there will eventually be enough for the entire population. The government has just instructed the Civil Defense Board to issue a new 2-year order for 600,000 gas masks. The order for 600,000 masks will cost 61.1 million kronor. The civil defense organization already has 4.3 million gas masks in stock. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 10 Dec 84 p 6] 11798

CSO: 3650/106

ECONOMIC

DENMARK

INDUSTRY COUNCIL LEADER SAYS BUSINESS INVESTMENT INADEQUATE

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jan 85 Sect III p 4

[Article by Lars Dyrskjot: "Industry Council: Investments Not Rising Enough"]

[Text] Industry anticipates an increase in investments of 60-70 percent in comparison with the low point in 1982/83. "But that is not sufficient," said Vice Director Jorgen Hansen of the Industry Council. "It should be more than doubled."

Danish industry expects this year to increase investments by 60-70 percent in comparison with the turning point in 1983. In 1984 the improved business climate and lower interest rates meant an improvement in investments of 40-50 percent. But according to the Industry Council that is not enough. In comparison with 1983, industrial investment in every year until 1990 should double--measured in fixed prices.

"The increase in investments of 40-50 percent in 1984 was accompanied by increased employment in industry," said Vice Director Jorgen Hansen, MA (Econ.) of the Industry Council. "Since the low point in the autumn of 1983, about 15,000 new jobs have been created in industry, and to this is added an increase in employment of about 30,000 in construction and service industries. That is a total increase in employment in the private sector of 40-50,000 people."

Slower

Progress is expected to continue in 1985, according to the Industry Council, although at a slower tempo. Measured in fixed prices the investment level can be expected to be 60-70 percent higher than in 1983.

"That is a rather fine increase in 2 years. But there will be more. If the deficits in the balance of payments and the national finances are liquidated before 1990 at the same time that unemployment is halved--and there seems to be broad political unity on this, significantly higher investments will be needed," maintained Jorgen Hansen.

It is not just the "fixed" investments in machinery, buildings and equipment which should be increased, but also the more intangible investments in research, product development, marketing and retraining of employees will call for much more money from the businesses in coming years.

Fixed investments in industry reached their low point in 1982/83 with 7-8 billion kroner. Increases in 1984 and 1985 are far from sufficient to reach the investment level that is necessary to reach the goals. That should be  $2\frac{1}{2}$  times greater than at the low point. In fixed 1982 prices that corresponds to 15-20 billion kroner per year as an average during the period 1985-90.

In return it is not expected that there will be an increase in industry's investment in increasing inventories because of rationalization and savings in the inventory area. In 1982 an investment of 3 billion kroner was made on increased inventory alone.

#### Marketing

According to statistics from the Secretariat of Research, industry invests 2-3 billion kroner per year in research and development. In order to keep up in technological development it is considered necessary to double the investment. In comparison, Swedish industry today uses between two and three times as great a share of its value increment in industry for research and product development.

There are no statistics for industry's expenses for marketing. It is, however, not unusual that a business uses 10 percent of its sales amount for marketing. The greatest part of this expense must relate directly to the year's sales, and it is therefore more of an operating expense than an investment.

Purely investment expenses for marketing are estimated to be 3-4 billion kroner per year in 1982 kroner. When industry in the coming years wins a larger share of the market, the export market share will increase by 20 percent until 1990, and it is estimated that marketing investments per year will be about 5-6 billion kroner.

At the moment industry's expenses for retraining of employees is estimated at about 0.5 billion kroner per year. An inquiry in the Industry Council shows that two-thirds of the activities questioned expect to use more funds for retraining in the coming years. An enlightened estimate would therefore be that the expenses will double in the coming years.

From a level of about the 17 billion kroner for industry's total investments in 1982, the need for investment in 1982 prices for the rest of this decade is about 30 billion kroner per year. If the expected inflation is taken into account, the need for investment by Danish industry rises to 35 billion kroner per year average over the next 5 years.

"Businesses will therefore have good use for their increases in earnings, which fortunately have been confirmed during recent years. And businesses will need a well-functioning and differentiated capital market to arrange new responsible capital and many forms of borrowed capital," explained Vice Director Jorgen Hansen of the Industry Council.

ENERGY

NORWAY

# OIL DIRECTORATE OPTIMISTIC ABOUT OIL FINDS IN NORTH

Oslo AFTENPOSTEN in Norwegian 19 Jan 85 p 5

[Article by Morten Woldsdal: "Good Hope of Oil in the North"]

[Text] The Oil Directorate has great hopes that new oil and gas discoveries will be made in the exploratory blocks which were assigned this week in the ninth concession round. Some of the oil companies, however, do not share the open optimism of the directorate. Many companies regard the ninth round as an interlude--before the considerably more interesting rounds later this year and next year.

By trying for blocks in the ninth concession round, the oil companies have put themselves in position for the struggle over the tasks which will then be assigned.

Several oil companies--among them Arco, Amoco and Phillips Petroleum--did not find the blocks in the ninth round interesting enough for them to want to seek shares. Other companies sought only a few blocks--perhaps more out of fear of making themselves unpopular with Norwegian authorities than of interest in the individual exploratory blocks. But some companies saw interesting possibilities in the blocks which were advertised, and therefore delivered more "realistic" applications.

'Not an Interlude'

"No this is not an interlude," said branch director Farouk Al-Kasim of the Oil Directorate. "The ninth concession round is an attractive round. Several very interesting blocks were assigned--especially at Halten Bank and Tromso Flake."

Farouk Al-Kasim is therefore an optimist. That is also his job. The day when the Oil Directorate itself starts to be pessimistic about the possibilities of new discoveries, the oil companies can only close down their exploratory branches in Norway. The Oil Directorate is also the institution which has the best grasp of "what is going on" on the Norwegian continental shelf.



Branch director Al-Kasim bases his optimism this time on the fact that several new exploratory blocks on Halten Bank and Tromso Flake are neighboring blocks to areas where oil companies have had success in making oil and gas discoveries. Now the directorate hopes that the new blocks will give just as great success.

"When we say that the blocks are interesting, that is not just from a charting standpoint. There are good chances for oil and gas discoveries in the blocks. We have placed special priority on the possibilities of finding oil in the ninth round blocks," said Al-Kasim.

#### Poor Gas Market

The reason why the Oil Directorate mainly wants oil discoveries north of Stad is the existing market situation for gas. It is much more difficult today to sell gas from the Norwegian shelf--especially from northern areas where the investments in expansion projects are much higher--than it is to sell oil. The chances for expansion are therefore much greater with discovery of oil than they are with a purely gas discovery. And both the Oil Directorate and the Ministry of Oil and Energy desire a speedy expansion north of the 62nd parallel more than anything. That does not mean, however, that the authorities do not want gas to be discovered. Sufficient amounts of gas will also in time be able to justify an expansion project.

As to the blocks in the North Sea which were assigned in this round, there is nobody who, with his hand on his heart, expects that there will be a new Statfjord or Troll discovery there. The goal of the Oil Directorate in this allocation is to have the resources charted--resources which can gradually be utilized in connection with existing oil and gas fields. The new North Sea blocks are therefore in the vicinity of fields such as Oseberg, Heimdal and Sleipner.

#### What Everyone Is Waiting For

The optimism of the Oil Directorate concerning the blocks in the ninth round does not conceal the fact that it is the next two concession rounds that "everyone" is waiting for. Entirely new challenges are expected in the 10th and 11th rounds. Then the oil companies will get permission to put their drills down into virgin ground--and they will begin exploratory activity in areas where there have never before been drilling rigs.

Over 70 new blocks will be advertised in the 10th round. These are north and east of the existing areas on Tromso Flake between Halten Bank and Traena Bank, also in the North Sea. Blocks south of Tromso Flake and Halten Bank may also be included, but the authorities have not yet decided on that.

#### 'Highly Exciting'

"It will be highly exciting to start exploratory activity in the new areas," said Farouk Al-Kasim. "Several of the blocks look so promising to us that we believe that oil and gas will be discovered."

The 10th concession round will be divided in two: the first announcements will come in the month of February, while the other half will come before the summer of 1986. The very promising 34/8 block in the North Sea--the block which the Oil Directorate calls the most interesting of those remaining in the North Sea--will be included in the first part of this round. It will therefore be the block that the oil companies will be fighting for, and also others in the new areas.

The authorities are planning to go still farther north. A new Storting report on exploratory activity is coming in April. Here the authorities will deal with the blocks which will be advertised in the 11th and 12th rounds. It is expected that the Ministry of Oil and Energy will recommend that exploratory activity in the Barents Sea be opened in these rounds. The Barents Sea is regarded--both by the authorities and the oil companies--as "really big" when looking at the future of the Norwegian continental shelf.

#### North Sea 'Exhausted'

Nobody denies today that the North Sea is in the process of being "exhausted" as an area for exploring for oil and gas--except for areas such as 34/8. This is one of the reasons why the authorities are now depending more and more on new areas farther and farther north on our extensive continental shelf.

The precarious employment situation in the northernmost parts of our country is also a main argument for the authorities getting started with oil and gas exploration off Middle and North Norway. So far there have been a number of promising discoveries both on Halten Bank and Tromso Flake. On Halten Bank there has perhaps been enough discovered so that expansion projects can get underway. On Tromso Flake, however, it is more uncertain. And it is this uncertainty that both the Ministry of Oil and Energy and the Oil Directorate want to eliminate with the allocations in the 9th round, and the future concession rounds.



Caption: Chart of the new blocks which were assigned in the ninth concession round on the Norwegian continental shelf.

9287  
CSO: 3639/65

ENERGY

NORWAY

BRIEFS

ELF AQUITANE INTERESTED IN EKOFISK--Both Norwegian Hydro and French Elf Aquitane are interested in taking over American Phillips Petroleum's activities in the oil and gas fields in the Ekofisk area of the North Sea. There is speculation that the price of the takeover could be between 5.5 and 9 billion kroner. It is not known, however, whether Phillips will sell. The background as to why Phillips may be expected to want to sell its assets for over 2 billion dollars is to finance an agreement with American businessman T. Boone Pickens. The fate of Phillips Ekofisk activity is expected to be known in a few weeks. [Text] [Oslo AFTENPOSTEN in Norwegian 19 Jan 85 p 7] 9287

CSO: 3639/65

END

**END OF**

**FICHE**

**DATE FILMED**

20 Feb 1985